

29 NOVEMBER 2018

OPHIR HIGH CONVICTION FUND
(ARSN 620 920 201 | APIR OPH0002AU)



PRODUCT DISCLOSURE STATEMENT FOR THE

Ophir High Conviction Fund

RESPONSIBLE ENTITY

THE TRUST COMPANY (RE SERVICES) LIMITED

ABN 45 003 278 831

Australian Financial Services Licence (AFSL) No. 235150

MANAGER

OPHIR ASSET MANAGEMENT PTY LTD

ABN 88 156 146 717

Australian Financial Services Licence (AFSL) No. 420082

IMPORTANT INFORMATION

The following information is important and requires your attention.

Please read this Product Disclosure Statement (**PDS**) carefully and in its entirety prior to making an investment decision with respect to the financial products to be issued under this document. In particular, you should pay careful consideration to the risk factors outlined in Section 6 and the tax implications in Section 10 of this PDS and consider them in light of your personal investment objectives, financial circumstances and needs. You should seek your own financial advice from a licensed financial adviser or other appropriately qualified professional adviser before acting on the information contained in this PDS.

ISSUER OF THIS PDS

This PDS is issued by The Trust Company (RE Services) Limited (ABN 45 003 278 831 AFSL 235150) (the **Responsible Entity**) as the responsible entity of Ophir High Conviction Fund (ARSN 620 920 201) (the **Fund**). The Fund is an Australian registered managed investment scheme.

MANAGER

The Responsible Entity has appointed Ophir Asset Management Pty Ltd (ABN 88 156 146 717 AFSL 420082) to be the manager of the Fund (**Manager** or **Ophir**) and to provide investment management and other services to the Responsible Entity pursuant to a Management Agreement entered into between the Responsible Entity and the Manager.

ISSUE OF UNITS

This PDS relates to the proposed issue of units in the Fund (**Units**) on the terms set out in this PDS. The Responsible Entity is the issuer of the Units.

PDS DATE, LODGEMENT AND LISTING

This PDS is dated 29 November 2018 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date.

The Responsible Entity will apply to the Australian Securities Exchange (**ASX**) within seven days of the date of this PDS for admission of the Fund to the official list of ASX and Official Quotation of the Units. Neither ASIC nor ASX takes any responsibility for the contents of this PDS or the merits of the Units or investment to which this PDS relates. Admission to the official list of ASX is in no way an indication of the merits of the Fund.

EXPOSURE PERIOD

The Corporations Act 2001 (Cth) (**Corporations Act**) prohibits the issue of Units in the seven day period after the date of lodgement of this PDS with ASIC (**Exposure Period**). This Exposure Period may be extended by ASIC by up to a further seven days. During the Exposure Period, this PDS will be made available to Australian residents at <http://www.ophiram.com.au/ophir-high-conviction-fund-asx-listing>.

NOT INVESTMENT ADVICE

The information contained in this PDS should not be taken as financial product advice and has been prepared as general information only, without consideration of your particular personal circumstances. In particular you should pay careful consideration to the investment risks outlined in Section 6 in light of your personal circumstances, recognising that other risk factors may exist in addition to those identified in this PDS and should also be considered before making any investment decision in light of your personal circumstances. Similarly, the tax implications of your investment will vary depending on your personal circumstances. You should consider the general tax implications outlined in Section 10 of this PDS and obtain and rely on your own professional taxation advice prior to making any investment decision with respect to the Units.

If you have any queries or uncertainties relating to aspects of this PDS, please consult your stockbroker, accountant or other independent financial or professional adviser before making any investment decision.

NO COOLING-OFF RIGHTS

Cooling-off rights do not apply to the Units to be issued under this PDS. Should Official Quotation of the Units be granted by ASX, Unitholders will have the opportunity to sell their Units at the prevailing market price, which may be different to the Issue Price.

RIGHTS AND LIABILITIES ATTACHED TO THE UNITS

All Units will rank equally in all respects. Details of the rights and liabilities attached to each Unit are set out in the Constitution (summarised at Section 11.1), copies of which will be made available for inspection, free of charge at the registered office of the Responsible Entity during normal trading hours.

ELECTRONIC PDS

An electronic copy of this PDS may be viewed online at <http://www.ophiram.com.au/ophir-high-conviction-fund-asx-listing> by Australian resident investors. This PDS when in electronic form is available only to persons receiving this PDS in electronic form in Australia or in any jurisdiction outside of Australia where the distribution of the electronic version of this PDS is not restricted by law. If you access this PDS electronically, please ensure that you download and read this PDS in its entirety. A paper form of this PDS can be obtained, free of charge, by contacting Ophir on (02) 8188 0397.

FOREIGN JURISDICTIONS

This PDS does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in any jurisdiction. Units will not be issued to any investor in any place in which, or to any person to whom, it would not be lawful to do so. This PDS has been prepared to comply with the requirements of the laws of Australia. Units will not be issued to any investor outside Australia or New Zealand, other than to certain institutional investors in select eligible jurisdictions (in relation to which see Section 12.9). The distribution of this PDS (whether electronically or otherwise) in jurisdictions outside of Australia may be restricted by law and persons who come into possession of this PDS should seek their own advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Any person to whom Units are issued will be deemed to represent that they are not in a jurisdiction which does not permit the issue of Units as detailed in this PDS and are not acting for the account or benefit of a person within such jurisdiction. None of the Responsible Entity, the Manager, Automatic nor any of their respective directors, officers, employees, consultants, agents, partners, advisers or intermediaries accept any liability or responsibility to determine whether a person is able to be issued with Units.

UPDATED INFORMATION

Information regarding the Fund may need to be updated from time to time. Prior to the Listing Date, any updated information about the Fund that is considered not materially adverse to investors will be made available at <http://www.ophiram.com.au/ophir-high-conviction-fund-asx-listing>, and the Responsible Entity or the Manager will provide a copy of the updated information free of charge to any eligible investor who requests a copy by contacting Ophir on (02) 8188 0397.

In accordance with its obligations under the Corporations Act, the Responsible Entity may issue a supplementary product disclosure statement to supplement any relevant information not disclosed in this PDS. You should read any supplementary or updated disclosures made in conjunction with this PDS prior to making any investment decision.

Once the Fund becomes listed on ASX, updated information will be provided in accordance with the continuous disclosure requirements that apply to the Fund under the Listing Rules.

FINANCIAL INFORMATION

Unless otherwise specified or the context requires, all financial and operational information contained in this PDS is current as at the date of this PDS.

All currency amounts are in Australian dollars unless otherwise specified.

The financial information presented in this PDS consists of historical financial information which is compiled from the audited financial statements of the Fund and historical financial information as at 26 November 2018, which is unaudited. See Section 9 for further details of the financial information. The financial information has been presented in accordance with the recognition and measurement principles of the Australian Accounting Standards. The financial information is presented in abbreviated form. It does not include all of the presentation and disclosures required by the Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

The Fund operates on a financial year ending 30 June.

VARIATION OF THE TERMS OF ISSUE

At any time prior to the allocation of Units contemplated in this PDS, the Responsible Entity reserves the right in its absolute discretion and without liability, to vary the terms of issue of the Units or its procedures or to postpone or cancel the issue of Units. To the extent that any such variation of the terms of issue of Units encompasses material changes to the terms of issue or its procedures, the Responsible Entity will provide notice of those changes by supplementary or replacement product disclosure statement or as otherwise permitted by law.

PAST PERFORMANCE DATA AND FORWARD-LOOKING STATEMENTS

There are references to past performance of the Fund in this PDS. Past performance is no guarantee of future performance.

This PDS includes certain statements that are forward looking. The words “anticipated”, “expected”, “projections”, “forecast”, “estimates”, “could”, “may”, “target”, “consider” and “will” and other similar expressions are intended to identify forward looking statements. Those forward-looking statements, opinions and estimates are not based on historical facts but reflect the assumptions, contingencies and expectations, as at the date of this PDS, of the Responsible Entity and the Manager with regard to future events as at the date of this PDS and which are subject to change without notice. They are subject to risk and uncertainties not all of which can be known at this time and are based on assumptions which may prove to be incorrect in whole or in part. As a result, actual results could differ materially from the forward-looking statements included in this PDS. Forward looking statements including projections, indications or guidance on future earnings or financial position and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. To the full extent permitted by law, the Responsible Entity, the Manager and their directors, officers, employees, consultants, advisers, agents, partners and intermediaries disclaim any obligation or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions.

The Responsible Entity and the Manager do not make any representation, express or implied, in relation to forward-looking statements and you are cautioned not to place undue reliance on these statements. The Responsible Entity and the Manager do not intend to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this PDS, except where required by law.

These statements are subject to various risk factors that could cause the Fund’s actual results to differ materially from the results expressed or anticipated in these statements. Key risk factors are set out in section 6. These and other factors could cause actual results to differ materially from those expressed in any statement contained in this PDS.

NO AUTHORISATIONS

No person is authorised to give any information, or to make any representation in connection with the issue of Units that is not contained in this PDS. Any information or representation that is not contained in this PDS may not be relied on as having been authorised by the Responsible Entity or the Manager in connection with the issue of Units. Except as required by law, and only to the extent so required, neither the Responsible Entity nor the Manager, nor any other person, warrants or guarantees the future performance of the Fund, the repayment of capital, or any return on any investment made pursuant to this information.

ROUNDING

Rounding of the figures provided in this document may result in some discrepancies between the sum of components and the totals outlined within this document including in the tables and percentage calculations.

WEBSITES

Any references to documents included on the Responsible Entity’s or Manager’s website are provided for convenience only, and none of the documents or other information on those websites is incorporated by reference into this PDS.

DEFINED TERMS

Capitalised terms used in this PDS have the meaning given to them in the Glossary.

FURTHER QUESTIONS

If you have any queries relating to aspects of this PDS please call Ophir on (02) 8188 0397.

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Investor letter from Ophir

Dear Investors,

It gives us great pleasure to present the Product Disclosure Statement for the Ophir High Conviction Fund (**Fund**).

Launched in August 2015 as an extension “best ideas” strategy to our original small-cap fund, the Ophir Opportunities Fund, the Fund seeks to provide investors with a concentrated exposure to a high quality portfolio of Australian small and mid-cap listed companies outside the S&P/ASX 50.

Since its inception on 3 August 2015, the Fund has generated a return of 20.2% per annum for investors (**Unitholders**), net of all fees, until 31 October 2018.

As a result of a combination of strong investment performance and increased investor inflows, the Fund was closed to new investor applications during 2018.

As co-founders of Ophir Asset Management and the Senior Portfolio Managers of the Fund, it is our responsibility to ensure Unitholders are exposed to the best possible investment structure for us to pursue continued outperformance.

We have achieved this previously through restricting the capacity (or size) of the investment funds we manage, in addition to aligning ourselves alongside Unitholders by making significant personal investments in the Fund.

In addition to these measures, we recently proposed the conversion of the Fund from an unlisted unit trust structure to a listed investment trust. It is our belief that a permanent, fixed pool of capital provides investment managers with a significant competitive advantage over other investment structures, particularly through the full length of a market cycle.

In our view, a listed investment trust provides us with the best possible structure to protect existing Unitholder capital and provides a strong platform for us to meet our investment objectives of delivering solid, consistent returns over the medium to longer term.

We thank current Unitholders for entrusting us with their investment capital and look forward to welcoming our new investors to the Fund.

Kindest regards

A handwritten signature in black ink, appearing to read 'Andrew Mitchell'.

Andrew Mitchell
Co-founder & Senior Portfolio Manager
Ophir Asset Management

A handwritten signature in black ink, appearing to read 'Steven Ng'.

Steven Ng
Co-Founder & Senior Portfolio Manager
Ophir Asset Management

Key dates and information

IMPORTANT DATES

| | |
|--|------------------|
| Final redemptions from the unlisted Fund | 23 November 2018 |
| Lodgement of PDS with ASIC | 29 November 2018 |
| Lodgement of listing application and PDS with ASX | 29 November 2018 |
| Redemption of Existing Units and Issue of Replacement Units | 14 December 2018 |
| Trading of Units commences on ASX (on a normal settlement basis) | 19 December 2018 |

The dates above (other than the final redemptions and PDS lodgement date) are indicative only. The Responsible Entity reserves the right to vary the dates set out above subject to the Corporations Act and other applicable law. All dates in the timetable are Australian Eastern Daylight Time.

KEY STATISTICS

| | |
|--|---|
| Fund name | Ophir High Conviction Fund |
| Proposed ASX Code | OPH |
| Fund inception date | 3 August 2015 |
| Fund registration date | 17 August 2017 |
| Fund size (as at 26 November 2018) | \$430.5 million |
| Distributions | Annually (unless an interim distribution is declared, or no distribution is declared) |
| Publication of the Fund's NAV per Unit | Daily |
| Number of Units on issue at Listing | 200,000,000 |
| Indicative Issue Price | \$2.15 per Unit |

Note that this price may fluctuate between the date of this PDS and the date of Listing. Prior to Listing, the issue price of a Unit will be calculated by establishing the Net Asset Value of the Fund and dividing the resulting amount by the number of Units on issue and adjusting it with the applicable buy spread (which, on the date Units are to be issued is estimated to be nil).

1. INVESTMENT OVERVIEW

The information set out in this Section 1 is a summary only. Investors should read the further information in the Sections referred to and consider this entire PDS before acquiring Units as this PDS contains important information about an investment in the Units. Investors should also consider obtaining their own relevant professional advice before making any investment decision.

| Topic | Answer | Where to find information |
|--|---|---------------------------|
| What is the Fund? | <p>The Fund is a unit trust. Your interest in the Fund is represented by Units. Certain rights (such as a right to any income and a right to vote) attach to your Units.</p> <p>The Fund is currently structured as an unlisted unit trust. It is proposed that the Fund will become a listed investment trust, which means the Fund would be included in the official list of ASX and Units would be Officially Quoted on ASX.</p> | Section 4 |
| Why are the Units being issued? | <p>As at the date of this PDS, the Fund has three classes of ordinary units on issue. In order to list the Fund on ASX, there can only be one class of ordinary units on issue.</p> <p>To enable the Fund to be listed on ASX, the Responsible Entity will redeem the classes of Units on issue as at the date of this PDS (Existing Units) and issue Units of equal value in a new class of ordinary units (Replacement Units) to each Eligible Unitholder.</p> <p>The Units being issued under this PDS are the Replacement Units. Following the issue of those Units, it is expected that the Fund will become listed on ASX and those Units may then be traded on ASX.</p> | Section 5 |
| Who will Units be issued to? | <p>Units will be issued to each person who is recorded in the register of Unitholders as at the date of this PDS and is an Eligible Unitholder.</p> <p>Ineligible Foreign Unitholders will receive a cash payment equal to the value of the Existing Units they hold on the redemption date.</p> | |
| What is the proposed ASX Code for the Fund? | It is proposed that the Units will trade on ASX under the code OPH. | |
| Who is the Responsible Entity? | The Responsible Entity is a professional trustee service provider. The Responsible Entity is a wholly-owned subsidiary of Perpetual Limited (ACN 000 431 827) (ASX:PPT) (Perpetual). | Section 4.3 |
| Who is the Manager? | <p>The Responsible Entity has appointed Ophir to be the investment manager of the Fund.</p> <p>Ophir is a specialist small and mid-cap equities investment manager established in 2012 by Senior Portfolio Managers Andrew Mitchell and Steven Ng. Specifically, Ophir:</p> <ul style="list-style-type: none"> - offers capacity-constrained, benchmark-unaware investment funds focused on listed companies within the small and mid-cap equities space; - employs a fundamental, bottom-up research approach to identify businesses with the ability to meaningfully grow and compound earnings over time; and - ensures alignment with underlying investors via the Portfolio Managers making significant personal investments alongside Unitholders within the Ophir funds. <p>As at 31 October 2018, Ophir has approximately \$956 million in funds under management across its entire business.</p> <p>The investment team comprises five investment professionals drawn from a diverse range of backgrounds working across all Ophir funds.</p> | Section 3.1 |

| What does the Fund invest in? | <p>The Fund seeks to provide investors with a concentrated exposure to a high-quality portfolio of Australian listed companies outside the S&P/ASX 50. On occasion, the Fund may also invest in listed securities in New Zealand.</p> <p>Employing an extensive investment process that combines a rigorous company visitation schedule and fundamental bottom-up analysis, the Fund aims to identify businesses operating within structural growth sectors with the ability to meaningfully grow and compound earnings over time.</p> | Section 2.1 | | | | | | | | | | | | |
|--|---|-------------|--------|-----|--------|-------------------|-----|------|-----|------|----|-----|-----|-------------|
| What is the Fund's benchmark? | <p>The S&P/ASX Mid-Small Index, being the composite benchmark of 50% of the S&P/ASX MidCap 50 Accumulation Index and 50% of the S&P/ASX Small Ordinaries Accumulation Index (the Benchmark).</p> | Section 2.2 | | | | | | | | | | | | |
| What is the investment return objective? | <p>The Fund aims to generate long-term returns in excess of the Benchmark (after fees and before tax) and provide consistent sustainable returns for its investors.</p> <p>Note the investment return objective is not intended to be a forecast. It is merely an indication of what the Fund aims to achieve over the longer term on the assumption that equity markets remain stable throughout the investment term. The Fund may not be successful in meeting this objective. Returns are not guaranteed.</p> | Section 2.3 | | | | | | | | | | | | |
| What are the Fund's investments and asset allocation? | <p>The Fund will generally hold ASX listed securities outside of the S&P/ASX 50. On occasion, the Fund may also invest in listed securities in New Zealand. The portfolio allocation will generally be:</p> <table border="1" data-bbox="448 987 1139 1104"> <thead> <tr> <th>Assets</th> <th>Min</th> <th>Max</th> <th>Target</th> </tr> </thead> <tbody> <tr> <td>Listed securities</td> <td>75%</td> <td>100%</td> <td>90%</td> </tr> <tr> <td>Cash</td> <td>0%</td> <td>25%</td> <td>10%</td> </tr> </tbody> </table> <p>Ophir actively adjusts the portfolio allocation within the ranges above. The "target" position is where Ophir aims to have the Fund invested given a fairly valued investment market. All other things being equal, the "target" position would reflect the portfolio allocation of the Fund.</p> <p>The portfolio allocation can change within the ranges significantly and sometimes quickly. Ask your adviser or contact Ophir for the latest portfolio allocation of the Fund.</p> | Assets | Min | Max | Target | Listed securities | 75% | 100% | 90% | Cash | 0% | 25% | 10% | Section 2.6 |
| Assets | Min | Max | Target | | | | | | | | | | | |
| Listed securities | 75% | 100% | 90% | | | | | | | | | | | |
| Cash | 0% | 25% | 10% | | | | | | | | | | | |
| What is the recommended minimum investment period? | <p>At least 5 years.</p> | | | | | | | | | | | | | |
| What are the significant benefits of investing in the Fund? | <p>Some of the significant benefits of investing in the Fund include:</p> <ul style="list-style-type: none"> - a focus on high quality, growth-orientated businesses, identified through an intensive investment process incorporating rigorous company visitation and proprietary fundamental company analysis; - the potential for high capital growth through the exposure to small and mid-cap companies that are typically in the earlier stages of their business lifecycle; - access to the investment experience and expertise of the Ophir investment team; - access to sophisticated investment opportunities that individual investors usually cannot achieve (including IPOs, placements and block trades); - risk management through the use of active investment management and portfolio construction tools; and - a robust corporate governance structure and clear legal rights. | Section 5.1 | | | | | | | | | | | | |

What are the expected key benefits associated with the Fund being listed on ASX?

The expected key benefits associated with the Fund being listed on ASX include:

- Ophir can choose to fully invest the Fund's assets in the market with a view to optimising performance, without needing to make cash resources available to fund redemption requests (the amount and timing of which Ophir has no control over);
 - the Fund has previously been 'hard closed' to new applications, meaning existing Unitholders can only add to their investment by acquiring Units through a reinvestment of any distributions paid to them. After Listing, both existing and new investors will be able to acquire Units on market without impacting the underlying capacity of the Fund (subject to the availability of Units for purchase and sale);
 - Ophir will not be forced to sell the Fund's assets below their fair value and/ or into a falling or illiquid market in order to make cash available to fund redemption requests;
 - the risk of needing to freeze or delay processing of redemptions from the Fund in severe market downturns generally will not arise;
 - Unitholders wishing to dispose of some or all of their Units may sell their Units on market (rather than lodging a redemption request), subject to there being sufficient purchase orders for Units;
 - previously all Unitholders were required to be wholesale clients (as defined by the Corporations Act) with a minimum investment of \$100,000. After Listing, retail investors will be able to access the Fund by acquiring Units on market, with no minimum investment amount;
 - Unitholders will be able to hold their Units through CHESS, providing the convenience afforded to other listed Australian securities;
 - it is possible that the market price of the Units on ASX at certain times may exceed the NAV per Unit. If this is the case, a Unitholder selling their Units on ASX may receive a higher price than they would have if they had been able to redeem their Units at the NAV per Unit; and
 - Unitholders benefit from an additional layer of governance as the Responsible Entity must comply with the Listing Rules as well as the Corporations Act and the Constitution.
-

What are the significant risks associated with the investment strategy and Manager of the Fund?

The significant risks associated with the investment strategy and Manager of the Fund include:

Section 6.1

- **Capacity risk:** The Manager believes there is a limit to the maximum amount of assets it can manage using the investment strategy employed by the Fund, based on market size and prevailing investment opportunities. If the Fund extends beyond its optimal size, investment performance could be adversely impacted.
 - **Concentration risk:** The concentrated nature of the Fund's portfolio (typically 15-30 stocks) means that the value of its investments may be more affected by adverse economic, political or regulatory events and the movement in the price of an individual security held in the Fund may have more a material impact on the value of the Fund's portfolio than would be the case in a less concentrated portfolio.
 - **Individual investment risk:** There is no guarantee that the Fund's asset allocation strategy and individual investment selections made by the Manager will provide positive investment performance at all stages of the investment cycle.
 - **Interest rate risk:** Interest rate movements may adversely affect the capital value or income of a security held by the Fund.
 - **International investing risk:** On occasion, the Fund may also invest in listed securities in New Zealand, which may give rise to foreign currency exposure, which means the value of those assets will be impacted by exchange rate movements. The Fund's foreign currency exposure is not hedged.
 - **Investment management risk:** There is a risk that the Manager will not perform to expectation or factors such as changes to the investment team may affect the Fund's performance. There is also a risk that the Manager's appointment could be terminated.
 - **Key personnel risk:** The performance of the Fund is dependent on the skills and experience of a small number of investment professionals. Any changes to the investment team composition may have an adverse impact on the Fund.
 - **Liquidity risk:** Overall market liquidity may impact the profitability of the Fund. Illiquid markets can make it difficult to trade profitably.
 - **Market risk:** Economic, technological, political or legal conditions, interest rates and even market sentiment, can (and do) change, and changes in investment markets can affect the value of the investments in the Fund.
 - **Small companies investment risk:** Small to mid-cap companies in which the Fund invests may face greater uncertainty than larger companies. The securities of small companies may also be less liquid than those of larger companies.
-

What are the key risks associated with the operations of the Fund?

The key risks associated with the operations of the Fund include:

6.2

- **Conflict of interest risk:** The Manager and entities within the 'Perpetual Group' may have other roles which conflict with the roles they play in operating and managing the Fund.
 - **Counterparty risk:** The Fund may incur losses if a counterparty to a transaction or contract involving the Fund (such as a broker) defaults on their obligations or experiences financial difficulty.
 - **Cyber risk:** There is a risk of fraud, data loss, business disruption or damage to the information of the Fund or to investors' personal information.
 - **Distribution risk:** No guarantee can be given concerning the distributions made by the Fund, the future earnings of the Fund, the income and capital appreciation of the portfolio or the return of capital invested by Unitholders.
 - **Fund risk:** The Fund could terminate, the fees and expenses could change, the Responsible Entity could be replaced as responsible entity and its management and staff could change. Investing in the Fund may give different results than investing individually in the same assets.
 - **Future capital raising:** If new Units are issued in exchange for cash (for example, a rights issue or placement), the Fund will receive an inflow of funds that will be available to be invested. An inflow of cash may detract from investment performance of the Fund if it is not fully invested. Unitholders who do not participate fully in any future capital raising could have their voting power and the economic value of their Units diluted.
 - **Past performance risk:** Past performance is not a reliable indicator of future performance and neither investment performance, distributions nor the value of Units are guaranteed.
 - **Regulatory risk:** Changes in government (including taxation) policies, regulations and laws (including those affecting registered managed investment schemes), or changes in generally accepted accounting policies or valuation methods could adversely affect the Fund, its investments and/or the effectiveness of its investment strategy.
-

What are the key risks associated with the Fund being listed on ASX?

The key risks associated with the Fund being listed on ASX include:

Section 6.3

- the market price of Units could be significantly different to the stated NAV per Unit;
- Units may be thinly or heavily traded on the ASX, and the market price and market conditions could be very volatile, irrespective of the underlying value of the investments held by the Fund. Units may also trade at a discount to the NAV per Unit;
- there are no guarantees that an active trading market with sufficient liquidity will develop, or should it develop after Listing, that such a secondary market will sustain a price representative of the NAV per Unit;
- changes made to the Fund, including who manages it and how it invests, may impact on the demand for Units in the Fund on ASX, and the market price;
- If the Fund conducts a capital raising in the future and new Units are issued at a price that is lower than NAV per Unit, Unitholders who do not acquire new Units in the same proportion as their existing holding of Units may experience dilution of their voting power and the economic value of their Units;
- once the Fund becomes listed on ASX it will incur additional operating costs that would not be incurred if it remained an unlisted vehicle. These additional costs include listing fees paid to ASX each year, slightly higher registry costs and the costs to comply with reporting and ASX continuous disclosure obligations;
- as the Fund invests in listed securities, the NAV per Unit is expected to fluctuate. The NAV per Unit may change between the time when a buy or sell order is placed and the time the relevant transaction is settled, and could differ from the relevant buy or sell price; and
- whilst the Responsible Entity will provide the NAV per Unit to ASX on a daily basis, there will always be an inherent lag between the time of calculation of the NAV per Unit and the publication of the NAV per Unit.

What are the key tax risks for Unitholders associated with the redemption of Existing Units and issue of Replacement Units?

If the Australian Taxation Office (**ATO**) does not provide confirmation in a final ruling that capital gains tax (**CGT**) rollover relief is available, a tax liability may be triggered for the Unitholders whose Existing Units are redeemed.

Section 6.4

This is explained in further detail below.

| | | |
|---|---|---------------------|
| <p>What will be the tax consequences for Unitholders of the proposed redemption of Existing Units in the Fund for Replacement Units?</p> | <p>An application for a class ruling has been made to the ATO on behalf of resident Unitholders who hold their Units on capital account. If granted, the class ruling will confirm the availability of CGT rollover relief for relevant Unitholders who make a capital gain and who choose to apply the rollover, so that any capital gains arising on the redemption of the Existing Units and issue of Replacement Units can be disregarded for income tax purposes. If the ruling is obtained, this means that, for Unitholders who choose to apply the rollover, the cost base of their Existing Units will be the cost base of their Replacement Units and the Replacement Units are deemed to have been acquired on the date their Existing Units were acquired. A capital gain/loss will only arise upon subsequent disposal of the Replacement Units.</p> <p>The redemption of Existing Units, the issue of the Redemption Units and the Listing will not proceed until the ATO has issued a draft ruling.</p> <p>If the draft ruling confirms that CGT rollover relief is available (as expected), then the proposed redemption of Existing Units and the issue of Replacement Units under this PDS will proceed.</p> <p>The ATO's final ruling is likely to be issued in January 2019, after the Listing. If the ATO does not provide confirmation in the final ruling that CGT rollover relief is available, a tax liability may be triggered for the Unitholders whose Existing Units are redeemed.</p> | <p>Section 10.2</p> |
| <p>What are the fees and costs?</p> | <p>The costs of the Fund include:</p> <ul style="list-style-type: none"> - Management fee of 1.23% pa; - Performance fee of 20.5% p.a. of the amount the Fund outperforms the Benchmark during a performance period, after deduction of other fees and expenses and provided any underperformance from previous periods has been recovered; and - Estimated ordinary expenses of 0.10% pa. <p>Once the Fund becomes listed on the ASX it will incur additional operating costs that would not be incurred if it remained an unlisted vehicle. These additional costs include listing fees paid to ASX each year, slightly higher registry costs and the costs to comply with reporting and ASX continuous disclosure obligations. For the first year after Listing date, Ophir has agreed to pay for any recoverable expenses incurred by the Fund when listed that exceed the average recoverable expenses as a percentage of the Fund's NAV for the financial year prior to the Listing date, excluding any extraordinary or abnormal expenses permitted under the Constitution that are incurred by the Fund or resulting from changes to the current GST regime. This includes the initial ASX listing fees. Once this one year period from the Listing date has elapsed, the Fund may bear the additional expenses.</p> | <p>Section 7</p> |
| <p>What is the financial position of the Fund?</p> | <p>As at 26 November 2018, the total NAV of the Fund's investments (including cash) was \$430.5 million. The Fund has not borrowed any funds.</p> | <p>Section 9</p> |

| | | |
|--|---|---------------|
| What does the Management Agreement say? | <p>Under the Management Agreement, the Manager is responsible for investing and managing the Fund’s portfolio in accordance with the investment strategy.</p> <p>The Management Agreement will be for a 10-year initial term and it will remain in force after the expiry of the initial term unless and until it is terminated. The Management Agreement can be terminated under the circumstances set out in Section 11.2.</p> <p>The Management Agreement contains provisions which are intended to provide Unitholders, as a whole, the right to determine the future of the Fund on the occurrence of certain circumstances relating to Ophir acting as investment manager of the Fund. Under the Management Agreement, the Responsible Entity, in the following circumstances and subject to complying with the law, may convene a meeting of Unitholders to approve termination of the Management Agreement:</p> <ul style="list-style-type: none"> (a) by special resolution if there has been a Change of Control in relation to Ophir to which the Responsible Entity has not given its prior consent; (b) by ordinary resolution if, after the initial 10 year term, 100 Unitholders or Unitholders holding not less than 5% of Units in the Fund by value request that the Responsible Entity convene a meeting for this purpose; or (c) by special resolution, at Ophir’s request, if the Responsible Entity does not accept or reject any recommendations in respect of investments (including a request that the Responsible Entity retire as responsible entity) made by Ophir. <p>The Management Agreement does not provide for any fees to be paid to Ophir for periods beyond the termination date of the Management Agreement, nor any penalty payment to Ophir in the event the Management Agreement is terminated.</p> | Section 11.2 |
| Are distributions paid? | <p>If the Fund pays a distribution to Unitholders, it is generally expected to be paid on an annual basis. The Responsible Entity currently intends to pay an annual distribution, which will be approximately equal to the taxable income components of the Fund for the period that the distribution relates to. The Responsible Entity may also declare an interim distribution or may not declare any distribution in relation to any given period.</p> | Section 4.7 |
| Is there a distribution reinvestment plan (DRP)? | <p>The Fund currently has a DRP in place for the Existing Units. If a Unitholder whose registered address is in Australia or New Zealand is participating in the DRP for their Existing Units, their Replacement Units will also participate in the DRP. Unitholders may contact Automic if they wish to commence or cease their DRP participation.</p> | Section 12.5 |
| Who are the key service providers? | <p>Ophir is the investment manager for the Fund.</p> <p>Link Fund Solutions Pty Limited (ABN 44 114 914 215, Corporate Authorised Representative 001253458 of AFSL No. 295142) (Link) is the custodian and administrator of the Fund.</p> <p>Automic Pty Ltd t/a Automic Group (ABN 27 152 260 814) (Automic) is the registry service provider to the Fund.</p> <p>Ernst & Young is the Fund’s auditor.</p> | Section 11 |
| Will any related party of the Responsible Entity have a significant interest in the Fund? | <p>No related party of the Responsible Entity has a significant interest in the Fund.</p> | Section 12.11 |

Where to find out more

If you have any questions, please contact:

Ophir Asset Management Pty Ltd

T: (02) 8188 0397

E: ophir@ophiram.com

2. HOW WE INVEST YOUR MONEY

2.1. WHAT THE FUND INVESTS IN

The Fund seeks to provide Unitholders with a concentrated exposure to a high quality portfolio of listed companies outside the S&P/ASX 50. On occasion, the Fund may also invest in listed securities in New Zealand.

Employing an extensive investment process that combines a rigorous company visitation schedule and fundamental bottom-up analysis, the Fund aims to identify businesses operating within structural growth sectors with the ability to meaningfully grow and compound earnings over time.

Typically, the majority of the businesses within the portfolio will already have well-established business models with large and/or growing end markets and a clearly identifiable pipeline of future growth opportunities. As a concentrated portfolio, the Fund seeks to identify the very best of these opportunities to ensure each portfolio position delivers a meaningful impact on overall portfolio returns.

2.2. THE BENCHMARK

The Fund's benchmark is the S&P/ASX Mid-Small Index, being the composite benchmark of 50% of the S&P/ASX MidCap 50 Accumulation Index and 50% of the S&P/ASX Small Ordinaries Accumulation Index (the **Benchmark**).

2.3. THE INVESTMENT RETURN OBJECTIVE

The Fund aims to generate long-term returns in excess of the Benchmark (after fees and before tax) and provide consistent, sustainable returns for Unitholders.

The investment return objective is not intended to be a forecast. It is merely an indication of what the Fund aims to achieve over the longer term on the assumption that equity markets remain stable throughout the investment term. The Fund may not be successful in meeting this objective. Returns are not guaranteed.

The Fund is generally suited to investors who are seeking long-term capital growth and can tolerate a high level of risk. You should speak with your financial adviser before making an investment decision concerning the Fund.

2.4. HISTORICAL PERFORMANCE OF THE FUND

Ophir first seeded the Fund on 3 August 2015. From its inception on 3 August 2015, the Fund has returned 20.2% per annum (net of all fees) to 31 October 2018.

Following is a table illustrating the historical performance returns of the Fund, net of all fees, relative to the Fund's Benchmark. The table is prepared as at 31 October 2018.

| Returns | 1 year return (to 31 October 2018) | 2 year return (p.a.) | 3 year return (p.a.) | Since inception annualised (3 August 2015) | Since inception cumulative |
|-------------|------------------------------------|----------------------|----------------------|--|----------------------------|
| Fund | 9.1% | 16.0% | 16.3% | 20.2% | 81.7% |
| Benchmark | 3.5% | 10.0% | 11.7% | 11.2% | 41.2% |
| Value added | 5.7% | 6.0% | 7.9% | 9.0% | 40.4% |

The return shown for the 2019 financial year represents the return from 30 June 2018 to 31 October 2018. **Past performance is not a reliable indicator of future performance.**

The historical performance of the Fund is based on the Fund's performance when it was structured as an unlisted and (for the most part) open-ended fund. Since the Fund is expected to be admitted to the official list of ASX on or around 19 December 2018, the Fund will be closed-ended and subject to some different expenses compared to when it operated as an unlisted fund. For the first year after the Listing date, Ophir has agreed to pay for any recoverable expenses incurred by the Fund when listed that exceed the average recoverable expenses as a percentage of the Fund's NAV for the financial year prior to the Listing date, excluding any extraordinary or abnormal expenses permitted under the Constitution that are incurred by the Fund or resulting from changes to the current GST regime. This includes the initial ASX listing fees. Once this one year period from the Listing date has elapsed, the Fund may bear the additional expenses.

Further, the returns of unlisted funds can be affected by cashflows in and out of the fund (e.g. applications and withdrawals). When the Fund is listed on ASX, Unitholders may only exit the Fund by selling their Units on market (and so Units are not redeemed and no cash is required to fund redemption requests). Unless a withdrawal offer has been made or the Responsible Entity chooses to conduct an on-market buy-back of Units, when listed the Fund is not required to fund withdrawals or sell assets in poor market conditions or other circumstances to satisfy withdrawals.

The historical performance of the Fund is net of fees applicable to the Fund but excluding individual tax. The historical performance of the Fund is calculated based on the movement in the NAV per Unit and assumes all distributions have been reinvested in additional Units in the Fund. Fees were not charged for the first three months after issue of the initial Units.

However, historical performance of the Fund has been measured as if fees had been charged in respect of those Units from the Fund's inception.

The performance returns of the Fund as at 31 October 2018, which are set out in this section 2.4, are the historical performance of the Fund and are not indicative of the future performance of the Fund. The information in this section 2.4 should not be relied upon and is not an indication of the future performance of the Fund. In addition, when the Fund is listed, it is not required to satisfy withdrawals and this can have an impact on the way the Fund is managed and therefore the actual return of the Fund could differ materially from the historical performance of the Fund as set out in this section 2.4.

2.5. THE INVESTMENT PROCESS

Ophir employs a fundamental, bottom-up research approach aimed at identifying businesses with the ability to meaningfully grow and compound earnings over time. Typically, the investment process will look to uncover businesses that:

- are operating within, or about to enter, a period of structural growth;
- are generating cash or have a clearly identifiable pathway toward free cash flow generation;
- operate with sound capital structures;
- have high quality leadership teams; and
- are under-researched, under-appreciated and/ or not well understood by the broader market.

In order to identify these opportunities, the Ophir investment team spend a considerable amount of time understanding the quality of the business and the environment in which it operates.

There are six key elements to Ophir's investment identification and evaluation process:

1. **Extensive Company Visitation:** The Ophir investment process is underpinned by a rigorous company visitation schedule. The team will meet with the senior management of companies within their investment universe on a regular basis, in addition to a wide array of contacts within a company's broader ecosystem – their suppliers, competitors, customers and other interest groups that may provide insight into the business. As a result, the team travel extensively both domestically and internationally to meet contacts face to face.
2. **Qualitative Assessment:** The team must be satisfied they have a thorough and complete understanding of what an underlying business does, how it generates cash and how sustainable and predictable these cash flows are. The team will also consider the industry structure, the company's market position, growth strategy and any commercial trends affecting it.
3. **Management Assessment:** The competency and leadership of senior management teams within emerging small and mid-cap businesses can have a material effect on a company's overall performance. The Ophir team place a strong emphasis on understanding the strength and capability of a company's management and complete a broad overview of senior management's track record, competence and experience.
4. **Financial Modelling:** As part of the quantitative assessment, the team will model the key financial statements in order to understand the key earnings drivers of the business and how they are affected when key assumptions change. The team will also assess the balance sheet and evaluate any trends in operating efficiency (for example, any changes in operating margins and return on capital).
5. **Valuation:** The team will incorporate a variety of valuation techniques, dependent on the industry in which the underlying business operates within. The most common methodologies utilised include enterprise value multiples, free cash flow yields, discounted cash flow and price to earnings.
6. **Database and Ranking:** Ophir maintains a proprietary database reflecting the key financial metrics of each company and a rank of all stocks in the investable universe, based on valuation and expected return. The database assists the team in prioritising investment analysis, evaluating risk/ return trade-offs and the optimising company visits.

Following the application of the investment process, Ophir will construct a portfolio of appropriate stocks (in the Fund's case this will typically be 15-30 stocks), appropriately diversified by industry and risk factor. The portfolio weightings of the individual stocks will reflect:

- the valuation gap between the current market price and Ophir's assessed value;
- level of Ophir's conviction and views on appropriate investment timing; and
- liquidity and market capitalisation of the company.

The Fund will not borrow. Derivatives will not be used to gear the Fund.

2.6. ASSET ALLOCATION

The portfolio allocation will generally be:

| Assets | Minimum | Maximum | Target |
|-------------------|----------------|----------------|---------------|
| Listed securities | 75% | 100% | 90% |
| Cash | 0% | 25% | 10% |

Ophir actively adjusts the investment mix within the ranges above. The “target” position is where Ophir aims to have the Fund invested given a fairly valued investment market. All other things being equal, the “target” position would represent the portfolio allocation of the Fund.

Remember the portfolio allocation can change within the ranges significantly and sometimes quickly. Ask your adviser or contact Ophir for the latest portfolio allocation of the Fund.

2.7. LABOUR AND ENVIRONMENTAL, SOCIAL OR ETHICAL CONSIDERATIONS

Ophir applies environmental, social and ethical considerations (including labour standards) and corporate governance (**ESG**) considerations when selecting, retaining or realising investments in the Fund. However, it does not have a predetermined view about what it regards to be a labour standard or an environmental, social or ethical consideration. Ophir does not apply any specific methodology to measure individual companies with respect to their ESG standing or apply any specific weighting system to the standards or considerations. In reviewing a company, it may look to engage with the company and influence its thinking with respect to these matters (including through voting on ESG matters) and where Ophir believes the company has demonstrated wilful disregard for general ESG principles, it may choose to avoid or divest securities in the relevant company in the Fund’s portfolio on a case by case basis. Where Ophir chooses to divest assets from the Fund due to ESG principles, it will do so within a timeframe it considers reasonable in all the circumstances.

3. ABOUT THE MANAGER

3.1. ABOUT OPHIR

Ophir is a specialist small and mid-cap equities investment manager which was established in 2012 by Senior Portfolio Managers Andrew Mitchell and Steven Ng after they previously co-managed capital together at Paradise Investment Management Pty Ltd.

As a boutique investment business 100% privately owned by the Senior Portfolio Managers, the business retains complete independence around investment decisions with a clearly defined value proposition to investors.

Specifically, Ophir:

- offers capacity-constrained, benchmark-unaware investment funds focused on listed companies within the small and mid-cap equities space;
- employs a fundamental, bottom-up research approach aimed at identifying businesses with the ability to meaningfully grow and compound earnings over time; and
- ensures alignment with underlying investors via the Portfolio Managers making significant personal investments alongside unitholders within the Ophir funds.

The business operates an outsourced service provider model to ensure the Portfolio Managers can dedicate their attention to the identification, analysis and monitoring of investment opportunities.

With approximately \$956 million in funds under management across its entire business as at 31 October 2018, the business comprises an investment team of five investment professionals drawn from a diverse range of backgrounds working across all Ophir funds.

3.2. THE INVESTMENT TEAM

The Ophir investment team comprises five investment professionals, led by Senior Portfolio Managers Andrew Mitchell and Steven Ng. Credentials of the Senior Portfolio Managers are set out below.

ANDREW MITCHELL – DIRECTOR AND SENIOR PORTFOLIO MANAGER

B. Ec (Hons), MAppFin

Andrew has over 16 years' experience in financial markets, covering portfolio management, investment research and economic analysis. Prior to co-founding Ophir with Steven Ng in 2012, Andrew worked as a Co-Portfolio Manager at Paradise Investment Management, where he was responsible for a fund focusing on listed Australian companies outside the ASX 100.

Prior to joining Paradise Investment Management, Andrew worked at Commonwealth Bank Institutional Equities as a small caps analysts and economist from 2005-2007. From 2002-2005, Andrew worked as a Policy Analyst at the Commonwealth Department of the Treasury with the principal role of updating the Federal Treasurer on economic developments within the Asian region.

Andrew holds a Bachelor of Economics (Hons) and Masters of Applied Finance.

STEVEN NG – DIRECTOR AND SENIOR PORTFOLIO MANAGER

B. Acc, CFA

Steven has over 20 years' experience in portfolio management, encompassing Portfolio Manager roles at Macquarie Asset Management (2002-2004), ING Asset Management (2004-2007) and Credit Suisse Asset Management (2007-2009). Prior to co-founding Ophir with Andrew Mitchell in 2012, Steven worked at Paradise Investment Management as a Co-Portfolio Manager of a fund focusing on listed Australian companies outside the ASX 100.

Prior to his career in funds management, Steven worked as a management consultant at Bain International. Steven was awarded the University Medal for the Bachelor of Accounting from the University of Technology, Sydney and is an accredited Chartered Financial Analyst (CFA) holder.

4. ABOUT THE FUND

4.1. BRIEF HISTORY OF THE FUND

The Fund was established in 2015 as an unregistered managed investment scheme structured as an unlisted unit trust, with Units initially available only to wholesale client investors. The initial trustee and investment manager of the Fund was Ophir. The Fund was first seeded on 3 August 2015.

On 1 August 2017, Ophir retired as trustee and the Responsible Entity was appointed as the replacement trustee. The Responsible Entity proceeded to have the Fund registered with ASIC as a managed investment scheme under Chapter 5C of the Corporations Act on 17 August 2017.

Since 31 August 2017, indirect investment in the Fund by retail clients, as well as wholesale clients, through investor directed portfolio services (or similar platforms) has been permitted.

During 2018, the Fund 'hard closed' to new investment and applications from new investors are no longer accepted. Existing Unitholders may only make additional investments in the Fund by reinvesting their distributions.

Until 23 November 2018, Unitholders were able to request redemption of their Units, with redemptions ordinarily processed on a daily basis.

As of 26 November 2018, redemption requests are no longer being accepted, as the Responsible Entity and the Manager proceed to prepare the Fund for Listing.

4.2. HOW THE FUND WORKS

The Fund is a "unit trust". This means "Units" represent your interests in the Fund. Certain rights (such as a right to any income and a right to vote) attach to your Units. You may also have obligations in respect of your Units.

When you invest in the Fund, your money (together with all other investors' monies) is gathered in the one place and invested in assets that sit within the Fund's investment guidelines.

The Fund does not have any child entities or sub-funds.

The Responsible Entity has appointed Ophir to manage the Fund. Ophir uses its resources, experience and expertise to make the investment decisions.

The Responsible Entity has also appointed Link as the independent custodian to hold the assets of the Fund. Link's role as custodian is limited to holding the assets of the Fund as the Responsible Entity's agent. Link has no supervisory role in relation to the operation of the Fund and is not responsible for protecting your interests.

The Responsible Entity has also appointed Automatic to provide registry services to the Fund.

The Responsible Entity, in its discretion, may change the administrator, custodian or registry services providers from time to time or appoint additional service providers.

4.3. THE RESPONSIBLE ENTITY

The Responsible Entity of the Fund is The Trust Company (RE Services) Limited (ACN 003 278 831). The Responsible Entity holds AFSL number 235150, which authorises it to act as the responsible entity and to operate registered managed investment schemes such as the Fund.

The Responsible Entity is a wholly-owned subsidiary of Perpetual.

Perpetual is a member of the Financial Services Council (FSC). The standards of the FSC (FSC Standards) apply to relevant activities conducted by Perpetual as a FSC member, as well as certain other entities related to the FSC member, including the Responsible Entity. The Responsible Entity complies with FSC Standards including FSC Standard No. 1: Code of Ethics & Code of Conduct. However, it has appointed service providers to provide certain services in relation to the Fund, some of which may not be members of the FSC. Where a service provider is a member of the FSC, the Responsible Entity has taken reasonable steps to ensure that the service provider will comply with all FSC Standards in providing the services in relation to the Fund. Where a service provider is not a member of the FSC, prior to the appointment of the service provider, the Responsible Entity has undertaken all appropriate and reasonable due diligence, establishes and maintains compliance monitoring, and complies with all applicable laws in relation to the appointment. Accordingly, you may not receive the full benefit or protection of the FSC Standards in relation to any services which are delegated to or provided by a service provider.

4.4. THE RESPONSIBLE ENTITY'S ROLE

The Responsible Entity's powers, rights and liabilities in relation to the Fund are governed by the Constitution, the Corporations Act and general trust law. Under the Corporations Act, the Responsible Entity is required to act in the best interests of Unitholders.

The Responsible Entity has entered into or approved the following relevant deed and agreements:

- Constitution (see Section 11.1);
- Management Agreement (see Section 11.2);
- Administration Agreement (see Section 11.3);
- Custody Agreement (see Section 11.4); and
- Registry Services Agreement (see Section 11.5).

The key responsibilities of the Responsible Entity in relation to the Fund include:

- oversight of investment management services provided by the Manager and other services provided to the Fund by persons appointed by it; and
- governance and regulatory compliance.

4.5. DIRECTORS OF THE RESPONSIBLE ENTITY

The Responsible Entity's board currently comprises four directors and two alternate directors. The directors have a broad range of experience in financial services combined with financial and commercial expertise.

Details of the Responsible Entity's current board are set out below.

GLENN FOSTER

Group General Manager Finance,
Corporate Services – Finance
Group – Executive Director
(appointed in July 2015, previously
an alternate. Director from March
2014 to July 2015)

Glenn is responsible for the Perpetual Group Finance function including external, regulatory and statutory reporting, financial operations, corporate tax compliance, treasury and capital management. He is also responsible for Business Support Services including Facilities Management. He is a director of a number of Perpetual's controlled entities (including those licensed with ASIC).

Glenn joined Perpetual Corporate Trust in April 2003 and as General Manager, Operations & Fund Services, Glenn's role included responsibility for all financial operations of the Trust Services business and the provision of all Fund Compliance and Fund Administration Services, including Custody, Unit Registry and Accounting.

Glenn moved from Corporate Trust into Group Finance and the Deputy CFO role in February 2008.

Glenn is a Chartered Accountant and commenced his career with Coopers and Lybrand (now part of PricewaterhouseCoopers) before entering the financial services industry in 1994. Prior to joining Perpetual in 2003, Glenn worked in senior finance roles with AIDC Ltd., Babcock and Brown, State Street Bank & Trust Company and RAMS.

Glenn has a Bachelor of Commerce degree from the University of New South Wales, has been a member of Chartered Accountants Australia and New Zealand (formerly known as the Institute of Chartered Accountants in Australia) since 1989 and is a graduate of the Australian Institute of Company Directors.

RICHARD MCCARTHY

Acting Group Executive, Perpetual
Corporate Trust – Executive
Director (appointed in October
2018)

Richard joined Perpetual in 2007 as Director, Sales and Relationship Management, and has been General Manager, Sales & Relationship Management, Strategy & Product and Marketing since 2011.

Richard has more than 23 years' experience in banking and financial services, with deep sector knowledge in debt capital markets and managed funds.

Prior to joining Perpetual, Richard spent 10 years at JP Morgan Chase in London and Sydney in a number of senior leadership roles.

Richard is a Director of the Australian Digital Commerce Association.

PHILLIP BLACKMORE

Head of Wholesale Trustee,
Perpetual Corporate Trust –
Alternate Director (appointed in
January 2018)

Phillip was appointed as Head of Perpetual Corporate Trust's Wholesale Trustee business in July 2016, where he has responsibility for servicing wholesale clients investing in real assets.

Phillip has over 20 years of experience in financial services having worked in both Sydney and London. Prior to working for Perpetual, Phillip held front, middle and back office roles with Westpac Banking Corporation, Morgan Stanley, Credit Suisse and IAG Asset Management, focusing primarily on operational risk and investment compliance. In March 2007, Phillip joined Perpetual's Group Risk & Compliance team having responsibility for the design and implementation of Perpetual's enterprise risk management framework and the placement of Perpetual's insurance program. Phillip also acted as risk advisor to the Group Executive of Perpetual Investments, Corporate Trust, Digital & Marketing and People & Culture.

Phillip is also a Non-Executive Director of the Big River Impact Foundation and holds a Graduate Diploma in Compliance, a

Master of Arts (Risk Management) and is currently completing a Masters of Business Administration at the Australian Graduate School of Management.

ANDREW MCIVER

General Manager, Group Finance
– Alternate Director (appointed in
January 2017)

Andrew joined Perpetual as General Manager, Group Finance – Commercial Advice & Planning in August 2015.

As a member of the Senior Leadership Team reporting to the Chief Financial Officer, Andrew leads one of Perpetual's finance teams with responsibility for business partnering and business finance activities.

Andrew has approximately 20 years' experience in finance, risk and management roles across a number of industries. Most recently he was Country Head of Finance Planning & Analysis for Citigroup Australia & New Zealand responsible for planning and analysis activities for Citigroup's Institutional and Consumer bank. Between 2006 and 2015, Andrew held a number of senior roles at Citigroup across finance, risk and strategy. Prior to joining Citigroup in 2006, Andrew held the role of Acting Senior Manager, Diversified Institutions at the Australian Prudential Regulation Authority, which he joined in 1999 as an analyst.

Andrew is a Certified Practising Accountant and a member of CPA Australia. He also holds a Graduate Diploma in Applied Finance and Investments from the Financial Services Institute of Australasia and a Bachelor's Degree of Economics, majoring in accounting and economic history, from Monash University.

VICKI RIGGIO

General Manager, Managed Fund
Services, Perpetual Corporate Trust
– Executive Director (appointed in
May 2018)

Vicki Riggio is General Manager, Managed Fund Services, Perpetual Corporate Trust and has responsibility for Custody, Wholesale Trustee, Responsible Entity Services, Investment Management for MITs and Perpetual's Singapore business.

Vicki was previously the General Manager, Management Services, where she held responsibility for Trust Management, Accounting and Investment Management services offered to debt capital markets and managed fund clients in Australia and offshore.

Prior to this, Vicki was the Head of Wholesale Trustee responsible for the delivery of trustee services to a portfolio of funds in excess of \$40 billion, primarily supporting offshore investment into Australian real assets through managed investment trust structures. She has also previously been responsible for Perpetual's debt markets trustee operations and ongoing trustee compliance arrangements. Having worked in the financial services industry for over 20 years, Vicki has extensive experience across a variety of asset classes and trust structures with knowledge across tax, law and accounting.

Vicki is a Director across a variety of Perpetual's subsidiary companies, a responsible manager for the AFSLs held by Perpetual group companies and has a Bachelor of Land Economics from the University of Technology, Sydney.

MICHAEL VAINAUSKAS

General Manager, Risk & Internal, Audit, Corporate Services – Risk Group – Executive Director (appointed in March 2015)

Michael joined Perpetual as the Chief Risk Officer in October 2014. In this role he is responsible for both risk management and internal audit functions across the Perpetual group.

Previous to his current role, Michael was the Head of Risk Operations within the International Financial Services Division of the Commonwealth Bank of Australia, where he was responsible for managing and supporting all risk management functions (other than large credit approvals) of the International Financial Services businesses (which included China, India, Indonesia, Japan and Vietnam). Michael was previously the Chief Risk Officer for PT Commonwealth Bank Indonesia, a subsidiary of Commonwealth Bank of Australia, and was responsible for all risk and legal areas across the subsidiary.

Prior to this, Michael was the General Manager/Chief Risk Officer with both Westpac Banking Corporation in the Retail and Business Bank, and St George Bank in the Retail Bank and Wealth Management businesses. Michael previously worked in a number of senior consumer risk management roles for Westpac Banking Corporation group of companies in both the bank and its former finance company subsidiary Australian Guarantee Corporation Limited.

Michael's background in finance extends back to 1983 and covers business, operational, compliance, legal and risk related responsibilities, from line-staff positions through to executive management level within a decentralised and centralised framework. Michael previously worked for 15 years at Household Finance Ltd, which was subsequently acquired by AVCO Financial Services Ltd.

Michael has been involved in consumer risk management since 1991 and has performed functions in sales, lending, collections, area management, compliance, systems development/implementation and project management within Australia, Indonesia and the United States.

Michael holds a Master of Business in Finance from the University of Technology, Sydney.

4.6. VALUATION, LOCATION AND CUSTODY OF ASSETS

The Fund will invest in ASX listed securities and cash. On occasion, the Fund may also invest in securities of companies listed in New Zealand.

In determining the Fund's NAV, the assets of the Fund will be valued in accordance with the following valuation policies and principles:

- any security which is listed or quoted on any securities exchange or similar electronic system and regularly traded will be valued at its last traded price on the relevant valuation day or, if no trades occurred on such day, at the closing bid price as at the relevant valuation day, or as adjusted in such manner as the Responsible Entity, in its sole discretion, thinks fit, having regard to the size of the holding, and where prices are available on more than one exchange or system for a particular security, the price will be the last traded price or closing bid price, as the case may be, on the exchange which constitutes the main market for such security or the one which the Responsible Entity in its sole discretion determines provides the fairest criteria in ascribing a value to such security;
- investments, other than securities, which are dealt in or traded through a clearing firm or an exchange or through a financial institution will be valued by reference to the most recent official settlement price quoted by that clearing house, exchange or financial institution. If there is no such price, then the average will be taken between the lowest offer price and the highest bid price at the close of business on any market on which such investments are or can be dealt in or traded, provided that where such investments are dealt in or traded on more than one market, the Responsible Entity may determine at its discretion which market shall prevail;
- deposits will be valued at their cost plus accrued interest; and
- any value (whether of an investment or cash) not in Australian dollars will be converted into Australian dollars at the rate (whether official or otherwise) which the Responsible Entity in its absolute discretion deems applicable as at close of business on the relevant valuation day, having regard, among other things, to any premium or discount which the Responsible Entity considers may be relevant and to costs of exchange, i.e. the Responsible Entity may, at its discretion, permit any other method of valuation to be used if it is in accordance with its written discretionary policy in determining the value of assets and liabilities and such method of valuation better reflects the market value.

A copy of the valuation policy and, where applicable and to the extent required, any other relevant documents in relation to the valuation policy will be made available to Unitholders free of charge on request.

The Responsible Entity has delegated to Link the determination of the NAV of the Fund and the NAV per Unit. In determining the NAV of the Fund and the NAV per Unit, Link will follow the valuation policies and procedures set by the Responsible Entity. For the purpose of calculating the NAV of the Fund, Link will, and is entitled to, rely on, and will not be responsible for the accuracy of, financial data furnished to it by market makers and/or independent third party pricing services. Link may also use and rely on industry standard financial models in pricing any of the Fund's securities or other assets.

As custodian, Link holds the Fund's assets in Australia. Cash may also be held on deposit with one or more Australian authorised deposit-taking institutions.

4.7. LIQUIDITY

Once the Fund is admitted to the official list of ASX and Units are Officially Quoted on ASX, Units are not able to be redeemed except under a withdrawal offer under the Corporations Act or a buy-back of units under the Corporations Act and Listing Rules while the Fund is listed. Unitholders will be able to sell their Units on ASX, subject to:

- there being sufficient buyers of Units at a price that is satisfactory to the selling Unitholder;
- ASX being open for trading; and
- the Units not being suspended from trading.

Unitholders may sell their Units on ASX by instructing their stockbroker.

As at the date of this PDS, the Responsible Entity does not offer any liquidity options to Unitholders, but Unitholders may sell their Units on ASX after Units are Officially Quoted on ASX (subject to there being sufficient liquidity).

Subject to any restrictions imposed under the Corporations Act, the Listing Rules and the Constitution, once the Fund is admitted to the official list of ASX and Units are Officially Quoted on ASX, the Responsible Entity may undertake an on-market buy-back of Units where it determines that this is in the interests of Unitholders in accordance with the Corporations Act, the Listing Rules (as modified or waived by ASX) and the Constitution.

Any Units acquired by the Responsible Entity under a buy-back will be immediately cancelled, as required by the Corporations Act.

The Responsible Entity will need to obtain Unitholder approval for the buy-back if it intends to buy back more than 10% of the smallest number of Units on issue over the 12 months prior to the buy-back. To fund the buy-back of Units, the Responsible Entity may seek to sell some of the Fund's investments. The Responsible Entity does not currently intend to buy back more than 10% of the Units on issue under any buy-back.

4.8. DISTRIBUTION POLICY

If the Fund pays a distribution to Unitholders, it is generally expected to be paid on an annual basis. The amount of the distribution will be at the discretion of the Responsible Entity but it is the current intention of the Responsible Entity to distribute an amount approximately equal to the taxable income components of the Fund for the period that the distribution relates to, usually the preceding financial year. The Fund has a DRP under which Unitholders whose registered address is in Australia or New Zealand can elect to reinvest their distributions into Units in the Fund (see section 12.5 for further details).

In some years it is possible that no distribution will be paid, for example when there are no or very little net taxable income components earned by the Fund. The Responsible Entity may also elect to pay an interim distribution in relation to a period other than a full financial year. An example of when this may occur is if the Fund were to realise significant capital gains and the Responsible Entity wished to distribute some or all of these gains.

Once the Fund is admitted to the official list of ASX, the Responsible Entity will be required to announce to ASX an estimated distribution amount per Unit prior to the Units trading on ASX on an ex-entitlement basis. Whilst there is no guarantee that the actual distribution will be exactly equal to the estimated distribution, the Responsible Entity will endeavour to ensure that these amounts are equal. The amount taxable in the hands of Unitholders each year does not necessarily follow the amount distributed from the Fund, and therefore Unitholders may be subject to tax on an amount different from the amount actually distributed.

Further information in relation to the taxation implications for Unitholders can be found in Section 10.

4.9. REPORTING TO UNITHOLDERS

The Fund is a disclosing entity for the purposes of the Corporations Act and is therefore subject to regular reporting and disclosure obligations under the Corporations Act and, when it is listed on ASX, it will also be subject to disclosure obligations under the Listing Rules. These obligations require ASX to be notified periodically and on a continuous basis of information about specific events and matters as they arise for the purpose of ASX making the information available to the financial market operated by it. In particular, the Responsible Entity has an obligation under the Listing Rules (subject to certain limited exceptions mainly relating to confidential and incomplete information) to notify ASX immediately of any information concerning the Fund, of which it becomes aware, which a reasonable person would expect to have a material effect on the price or value of the Fund's securities. The Responsible Entity is also required to prepare and lodge with ASIC and ASX both yearly and half-yearly financial statements for the Fund accompanied by a directors' declaration and report, and an audit or review report.

A copy of each annual report, half yearly report and any continuous disclosure notice lodged by the Responsible Entity in relation to the Fund will be available from ASIC or ASX, and will also be available at <http://www.ophiram.com.au/ophir-high-conviction-fund>. A paper copy will be available free of charge by contacting Automic.

Within 14 days after the end of each month, the Responsible Entity will release the NAV backing of its Units as at the end of that month to ASX. The Responsible Entity will also provide the indicative NAV per Unit to the ASX on a daily basis. Up to date Fund performance will also be available at <http://www.ophiram.com.au/ophir-high-conviction-fund>.

The Manager will continue to produce monthly, quarterly and annual investment reports, in addition to any ASX required reports. All reports will be available at <http://www.ophiram.com.au/ophir-high-conviction-fund>.

5. BENEFITS OF INVESTING IN THE FUND

The Fund aims to generate long-term returns in excess of the Benchmark (after fees and before tax) and provide consistent, sustainable returns for Unitholders. Returns are not guaranteed.

5.1. CURRENT BENEFITS OF INVESTING IN THE FUND

There are many benefits of investing in the Fund. Some of the significant benefits include:

- a focus on high quality, growth-orientated businesses, identified through an intensive investment process incorporating rigorous company visitation and proprietary fundamental company analysis;
- the potential for high capital growth through the exposure to small and mid-cap companies that are typically in the earlier stages of their business lifecycle;
- access to the investment experience and expertise of the Ophir investment team;
- access to sophisticated investment opportunities that individual investors usually cannot obtain (including IPOs, placements and block trades);
- risk management through the use of active investment management and portfolio construction tools; and
- a robust corporate governance structure and clear legal rights under the Fund's Constitution.

5.2. EXPECTED BENEFITS IF THE FUND IS LISTED ON ASX

There are also some additional benefits for Unitholders if the Fund is admitted to the official list and Units become Officially Quoted on ASX. The key benefits include:

- the Fund has previously been 'hard closed' to new applications, meaning existing Unitholders can only add to their investment by acquiring Units through a reinvestment of any distributions paid to them. If the Fund becomes listed, both existing and new investors will be able to acquire Units on market without impacting the underlying capacity of the Fund (subject to the availability of Units for purchase and sale);
- the Fund will be a closed-ended fund, which provides the Manager with a permanent, fixed pool of capital, which means the Manager can fully deploy capital into attractive opportunities as they present, without a need to maintain a consistent cash buffer to fund redemptions (the amount and timing of which the Manager has no control over), as may be the case with an open-ended fund. Nor will the Manager be required to sell underlying investments to meet redemptions (again, the amount and timing of which the Manager has no control over). This would provide the Manager with a significant competitive advantage over other investment structures, particularly through the full length of a market cycle as the Manager will not be forced to sell the Fund's assets below their fair value and/ or into a falling or illiquid market in order to make cash available to fund redemption requests;
- the risk of needing to freeze or delay processing of redemptions from the Fund in severe market downturns generally will not arise;
- while the Fund is 'hard closed' to new applications, Unitholders can only add to their investment in the Fund by acquiring more Units through a reinvestment of any distributions paid to them. If the Fund becomes listed, existing Unitholders may also be able to acquire more Units on market, subject to the availability of Units for sale;
- Unitholders will be able to sell Units on ASX, subject to liquidity;
- prospective Unitholders may acquire Units on ASX, subject to there being sufficient Unitholders willing to sell their Units at the desired price;
- previously all Unitholders were required to be wholesale clients (as defined by the Corporations Act) with a minimum investment of \$100,000 with retail investors only being able to access the Fund via investor directed platforms. If the Fund becomes listed, retail investors will be able to access the Fund directly by acquiring Units on market, with no minimum investment amount;
- Unitholders will be able to hold their Units through CHESS, providing the convenience afforded to other listed Australian securities;
- it is possible that the market price of the Units on ASX at certain times may exceed the NAV per Unit. If this is the case, a Unitholder selling their Units on ASX may receive a higher price than they would have if they had redeemed their Units at the NAV per Unit;
- subject to any restrictions imposed under the Corporations Act, the Listing Rules and the Constitution, the Responsible Entity may undertake an on-market buy-back of Units. All other things being equal, a buy-back will reduce the supply of Units in the Fund available on the market, which might be expected to increase the market price of Units traded on ASX. Further information about buy-backs is set out in section 4.7; and
- Unitholders will benefit from an additional layer of governance as the Responsible Entity must comply with the Listing Rules as well as the Corporations Act and the Constitution.

6. RISKS OF INVESTING IN THE FUND

All investments carry risk. Different strategies may carry different levels of risk, depending on the assets that make up the strategy. Assets with the highest long-term returns may also carry the highest level of short-term risk.

Prior to investing you should assess whether this is a suitable investment for you, and whether it meets your individual investment objectives and financial circumstances. The acceptable level of risk for each person will vary depending on a range of factors, including age, investment time frames, where other parts of your wealth are invested, how the risks of the Fund compare to your other investments and your risk tolerance.

An investment in the Fund involves risk and neither the Responsible Entity nor the Manager guarantee the amount of any income or capital return from the Units, the performance of the Fund, that there will be satisfactory liquidity in Units once the Fund is listed on ASX, that the market price of the Units when the Fund is listed on ASX will be similar to the NAV per Unit or the security of your investment. Past performance is not indicative of future performance.

This section sets out the significant risks associated with investing in the Fund. These risks can be managed but cannot be completely eliminated. You should seek your own financial advice from a licensed financial adviser or other appropriately qualified professional adviser before acting on the information contained in this PDS.

6.1. KEY RISKS ASSOCIATED WITH THE INVESTMENT STRATEGY AND MANAGER OF THE FUND

The significant risks associated with the investment strategy and Manager of the Fund include:

- **Capacity risk:** The Manager believes there is a limit to the maximum amount of assets it can manage using the investment strategy employed by the Fund, based on market size and prevailing investment opportunities. There is a risk that due to strong performance of the Fund and/or the issuance of additional Units in the Fund, or as a result of the Manager managing the same or a similar strategy in relation to another fund or vehicle, the Manager deploys more funds in total using the investment strategy than it believes is optimal which may detract from the performance of the Fund. The Manager seeks to manage this risk by closely monitoring funds under management using the investment strategy and limiting the money it manages.
- **Concentration risk:** The Fund may invest a high percentage of its assets in a limited number of assets (typically 15-30 stocks), or in assets in a limited number of sectors or industries, which may cause the value of the Fund's investments to be more affected by any single adverse economic, political or regulatory event than the investments of a more diversified portfolio. The concentrated nature of the portfolio also means that movement in the price of an individual security held in the Fund may have a material impact on the value of the portfolio.
- **Individual investment risk:** There is no guarantee that the Fund's asset allocation strategy and individual investment selections will deliver positive investment performance at all stages of the investment cycle.
- **Interest rate risk:** Interest rate movements may adversely affect the capital value or income of a security held by the Fund.
- **International investing risk:** On occasion, the Fund may also invest in listed securities in New Zealand, which may give rise to foreign currency exposure. The relative strength or weakness of the Australian dollar against other currencies will affect the Fund's performance and the Fund may have less protection under laws outside of Australia. The Manager does not intend to hedge any currency exposures.
- **Investment management risk:** There is a risk that the Manager will not perform to expectation or factors such as changes to the investment team may adversely affect the Fund's performance. There is also a risk that the Manager's appointment could be terminated. Under the Management Agreement, the Responsible Entity, in the following circumstances and subject to complying with the law, may convene a meeting of Unitholders to approve termination of the Management Agreement:
 - (a) by special resolution if there has been a Change of Control in relation to Ophir to which the Responsible Entity has not given its prior consent;
 - (b) by ordinary resolution if, after the initial 10 year term, 100 Unitholders or Unitholders holding not less than 5% of Units in the Fund by value request that the Responsible Entity convene a meeting for this purpose; or
 - (c) by special resolution, at Ophir's request, if the Responsible Entity does not accept or reject any recommendations in respect of investments (including a request that the Responsible Entity retire as responsible entity) made by Ophir.
- **Key personnel risk:** Only a small number of investment professionals are responsible for managing the Fund and their personal circumstances can change or they may cease to be associated with the Fund. This may have an adverse impact on the Fund as the performance of the Fund depends on the skills and experience of personnel.
- **Liquidity risk:** Overall market liquidity may contribute to the profitability of the Fund. Illiquid markets can make it difficult to trade profitably.

- **Market risk:** Economic, technological, political or legal conditions, interest rates and even market sentiment, can (and do) change, and changes in the value of investment markets can affect the value of the investments in the Fund. Adverse movements in the price of investments held by the Fund will have an adverse impact on the NAV per Unit.
- **Small companies' risk:** Small to mid-cap companies may have less diversified income streams, less stable funding sources and weaker bargaining positions with their counterparties when compared to larger companies. The securities of small companies may also be less liquid than those of larger companies. This means that the value of the Fund's assets may fluctuate and the Fund may not always be able to sell its assets on market at the desired price.

6.2. KEY RISKS ASSOCIATED WITH THE OPERATIONS OF THE FUND

The significant risks associated with the operations of the Fund include:

- **Conflict of interest risk:** Ophir may be the investment manager of other funds not described in this PDS and entities within the 'Perpetual Group' (comprising Perpetual Limited and its subsidiaries, including the Responsible Entity) may act in various capacities (such as responsible entity, trustee and custodian) for other funds or accounts. Other roles may conflict with the roles they play in operating and managing the Fund. The Manager and Perpetual Group have implemented policies and procedures to identify and, where possible, mitigate or avoid the conflict.
- **Counterparty risk:** Losses can be incurred if a counterparty to a transaction or contract (such as a broker) defaults on their obligations or experiences financial difficulty.
- **Cyber risk:** There is a risk of fraud, data loss, business disruption or damage to the information of the Fund or to investors' personal information as a result of a threat or failure to protect the information or personal data stored within the IT systems and networks of the Responsible Entity or other service providers.
- **Distribution risk:** The Fund intends to pay an annual distribution. This distribution is not of a fixed amount, and, in some years, and potentially for an extended period of time, no distribution may be paid. In some years there may be more than one distribution paid. No guarantee can be given concerning the distributions made by the Fund, the future earnings of the Fund, the income and capital appreciation of the portfolio or the return of capital invested by Unitholders.
- **Fund risk:** There is a risk that the Fund could terminate (for example, on a date determined by the Responsible Entity), the fees and expenses could change (although the Responsible Entity would always give Unitholders at least 30 days' notice where practicable if fees were to increase), the Responsible Entity could be replaced as responsible entity and its management and staff could change. Investing in the Fund may give different results than investing directly in the assets held by the Fund individually because of accrued income or capital gains and the consequences of changes in the size of the Fund (for example, due to capital raising or buy-back activities).
- **Future capital raising:** As a closed-ended vehicle, the Fund will not be open to regular applications for new Units. The Responsible Entity does, however, offer a distribution reinvestment plan (which does not result in an inflow of cash into the Fund). At some stage in the future, the Responsible Entity may, in consultation with the Manager, offer some form of capital raising such as a placement of Units and/or a rights issue. If new Units are issued in exchange for cash, the Fund will receive an inflow of funds that will be available to be invested. This inflow of cash may detract from investment performance of the Fund as it may result in the Fund being less fully invested than it would otherwise be. If the Fund were to issue new Units in the future, and if Unitholders did not participate in such issue (or Unitholders were unable to participate) or did not participate in proportion to their Unitholding at the time of the capital raising, their voting power and the economic value of their Unitholding may be diluted.
- **Past performance risk:** Past performance is not a reliable indicator of future performance. The Responsible Entity and the Manager do not guarantee investment performance or distributions, and the value of Units in the Fund may rise or fall.
- **Regulatory risk:** This is the risk that the value or tax treatment of either the Fund itself or investments of the Fund, or the effectiveness of the Fund's trading or investment strategy may be adversely affected by changes in government (including taxation) policies, regulations and laws (including those affecting registered managed investment schemes) or changes in generally accepted accounting policies or valuation methods.

6.3. KEY RISKS ASSOCIATED WITH THE FUND BEING LISTED ON ASX

The key risks associated with the Fund being listed on ASX include:

- for periods of time, sometimes extended periods, the Units may not trade at or near the stated NAV per Unit;
- Units may be thinly or heavily traded on ASX, and can be very volatile, irrespective of the underlying value of the investments held by the Fund. Units may also trade at a discount to the NAV per Unit, which could potentially be significant;
- although liquidity is expected to exist in this secondary market, there are no guarantees that an active trading market with sufficient liquidity will develop, or should it develop after Listing, that such a secondary market will sustain a price representative of the NAV per Unit. This risk is greater where investors have larger holdings of Units, where investors intend to hold their Units for a shorter time period or following periods of significant underperformance or outperformance by the Fund;

- although the Responsible Entity may seek to buy back Units on market (which, other things being equal, may increase the market price), no guarantee can be made that there will be a buy-back facility available at any time or that, should a facility be available, it will prevent Units trading at a discount to NAV per Unit at any particular time;
- changes made to the Fund, including who manages it and how it invests, may impact the demand for Units in the Fund on ASX, and Unitholders who wish to sell their Units on ASX subsequent to a change of this nature may have to accept a lower market price than they would have if the changes had not occurred;
- If the Fund conducts a capital raising in the future and issues new Units at a price that is lower than NAV per Unit, Unitholders who do not acquire new Units in the same proportion as their existing holding of Units may experience dilution of their voting power (as the proportion of total Units they hold in the Fund will decrease) and the economic value of their Units (due to the NAV not increasing in the same proportion as the increase to the number of Units);
- once the Fund becomes listed on ASX it will incur additional operating costs that would not be incurred if it remained an unlisted vehicle. These additional costs include listing fees paid to ASX each year, slightly higher registry costs and the costs to comply with reporting and ASX continuous disclosure obligations. While these represent additional costs, the current fee structure for the Fund is not intended to change. For the first year after the Listing date, Ophir has agreed to pay for any recoverable expenses incurred by the Fund when listed that exceed the average recoverable expenses as a percentage of the Fund's NAV for the financial year prior to the Listing date, excluding any extraordinary or abnormal expenses permitted under the Constitution that are incurred by the Fund or resulting from changes to the current GST regime. This includes the initial ASX listing fees. Once this one year period from the Listing date has elapsed, the Fund may bear the additional expenses;
- as the Fund invests in listed securities, the NAV per Unit is expected to fluctuate. If a Unitholder places a buy or sell order for Units on ASX at a given price, there is a risk that fluctuations in the value of the underlying investments held by the Fund could cause the NAV per Unit to move closer to or further from the buy price or sell price set by the Unitholder. For example, a Unitholder may set a sell price that is above the NAV per Unit at the time they place their sell order, but that sell price could be below the applicable NAV per Unit at the time the Units are actually sold; and
- the NAV per Unit is expected to fluctuate, and whilst the Responsible Entity will provide periodic updates to ASX of the NAV per Unit, this will not be provided as a live price, and there will always be an inherent lag between the time of calculation of the NAV per Unit and the publication of the NAV per Unit.

6.4 TAX RISK ASSOCIATED WITH THE TRANSACTION

Finally, there is a tax risk associated with the proposed redemption of Existing Units in the Fund for Replacement Units. An application has been made to the ATO on behalf of resident Unitholders who hold their Units on capital account. If granted, the class ruling will confirm the availability of CGT rollover relief for relevant Unitholders who make a capital gain and who choose to apply the rollover, so that any capital gains arising on the redemption of the Existing Units and issue of Replacement Units can be disregarded for income tax purposes. If the ruling is obtained, this means that for Unitholders who choose to apply the rollover, the cost base of their Existing Units will be the cost base of their Replacement Units and the Replacement Units are deemed to have been acquired on the date their Existing Units were acquired. A capital gain/loss will only arise upon subsequent disposal of the Replacement Units.

The redemption of Existing Units, the issue of the Redemption Units and the Listing will not proceed until the ATO has issued a draft ruling. If the draft ruling confirms that CGT rollover relief is available (as expected), then the redemption of Existing Units, the issue of Replacement Units and the Listing (subject to ASX approving the listing application) will proceed.

The ATO's final ruling is likely to be issued in January 2019, after Listing. Although unlikely, it is possible that the ATO's final ruling could differ from the draft ruling, which could mean the tax outcomes differ from those expected under the draft ruling.

7. FEES AND OTHER COSTS

7.1. CONSUMER ADVISORY WARNING

The Corporations Act requires the Responsible Entity to include the following consumer advisory warning. The information in the consumer advisory warning is standard across product disclosure statements.

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable.

Ask the Fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website (www.moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options.

7.2. FEES AND OTHER COSTS TABLE

This Section shows the fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the Fund as a whole.

Tax information is set out in Section 10 of this PDS.

You should read all of the information about fees and costs because it is important to understand their impact on your investment.

| Type of fee or cost | Amount | How and when paid |
|---|--|--|
| Fees when your money moves in or out of the Fund | | |
| Establishment fee The fee to open your investment | Nil | Not applicable |
| Contribution fee The fee on each amount contributed to your investment | Nil | Not applicable |
| Withdrawal fee The fee on each amount you take out of your investment | Nil | Not applicable |
| Exit fee The fee to close your investment | Nil | Not applicable |
| Management costs – the fees and costs for managing your investment[^] | | |
| Management fee | 1.23% pa | This fee is calculated and accrues daily, and is payable monthly in arrears from the Fund's assets. The amount of this fee can be negotiated with significant wholesale investors only. |
| Performance fee | 20.5% pa of the amount the Fund outperforms its Benchmark during a performance period, after deduction of other fees and expenses and provided any underperformance from previous periods has been recovered | This fee is calculated and accrued daily and paid annually in arrears from the Fund's assets. The amount of this fee can be negotiated with significant wholesale investors only. |

| | | |
|---------------------|----------|---|
| Ordinary expenses^^ | 0.10% pa | Ordinary expenses are generally paid from the Fund's assets as incurred. |
| Abnormal expenses^^ | Nil | If incurred, abnormal expenses are generally paid from the Fund's assets as incurred. |
| Indirect costs^^ | Nil | Not applicable |

Service fees

| | | |
|--|----------------|----------------|
| Switching fee The fee for changing investment options | Not applicable | Not applicable |
|--|----------------|----------------|

^ The management costs and the components of the management costs set out in the table above are inclusive of GST and net of RITC. For more information about management costs, please refer to Section 7.4 below. Certain additional costs apply, such as transactional and operational costs. For more information about transactional and operational costs, please refer to Section 7.4 below.

^^ This figure is based on the actual costs incurred during the 2018 financial year. Costs and expenses in future years may differ.

Once the Fund becomes listed on ASX it will incur additional operating costs that would not be incurred if it remained an unlisted vehicle. These additional costs include listing fees paid to ASX each year, slightly higher registry costs and the costs to comply with reporting and ASX continuous disclosure obligations. While these represent additional costs, the current fee structure for the Fund is not intended to change. For the first year after the Listing date, Ophir has agreed to pay for any recoverable expenses incurred by the Fund when listed that exceed the average recoverable expenses as a percentage of the Fund's NAV for the financial year prior to the Listing date, excluding any extraordinary or abnormal expenses permitted under the Constitution that are incurred by the Fund or resulting from changes to the current GST regime. This includes the initial ASX listing fees. Once this one year period from the Listing date has elapsed, the Fund may bear the additional expenses. For more information, please refer to section 7.4 below.

7.3. EXAMPLE OF ANNUAL FEES AND COSTS

This table gives an example of how the fees and costs in the Fund can affect your investment over a one year period. You should use this table to compare this product with other managed investment products.

| Example – Ophir High Conviction Fund | | Balance of \$50,000 with a contribution of \$5,000 during year |
|--|----------|--|
| Contribution fees | Nil | And, for every \$50,000 you have in the Fund you will be charged \$1,100 each year, comprising: |
| PLUS management costs of 2.2%pa comprising: | | \$615 |
| Management fee | 1.23% pa | \$585 |
| Performance fee | 1.17% pa | \$50 |
| Ordinary expenses^ | 0.10% pa | \$0 |
| Abnormal expenses^ | Nil | \$0 |
| Indirect costs^ | Nil | \$0 |
| EQUALS Cost of Fund | 2.4% pa | If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of \$1,200 each year* |
| What it costs you will depend on the fees you negotiate | | |

This example assumes the \$5,000 contribution occurs at the end of the year, therefore management costs are calculated using the \$50,000 balance only. When calculating management costs in the example, the law says the Responsible Entity must assume that the value of your investment remains at \$50,000 and the Fund's Unit price does not fluctuate. Management costs actually incurred will depend on the market value of your investment and the timing of your contributions (including any reinvestment of distributions). The example assumes no abnormal expenses are incurred, no service fees are charged and that fees are not individually negotiated. Certain additional costs apply, such as transactional and operational costs. For more information about transactional and operational costs, please refer to section 7.4 below.

The performance fee example is based on the average actual performance fees payable for the past two financial years ending 30 June 2018 and 30 June 2017 as a percentage of the Fund's average Net Asset Value. The performance of the Fund and associated performance fees may differ in the future. As a result, the total management costs may vary from the examples provided. It is not a forecast of the performance of the Fund or the amount of the performance fees in the future. See section 7.4 below for a further example of how the performance fee works.

Totals may vary from the expected number due to rounding.

^ This figure is based on the actual costs incurred during the 2018 financial year. Costs and expenses in future years may differ. Remember, once the Fund becomes listed on ASX it will incur additional operating costs that would not be incurred if it remained an unlisted vehicle. These additional costs include listing fees paid to ASX each year, slightly higher registry costs and the costs to comply with reporting and ASX continuous disclosure obligations. While these represent additional costs, the current fee structure for the Fund is not intended to change. For the first year after the Listing date, Ophir has agreed to pay for any recoverable expenses incurred by the Fund when listed that exceed the average recoverable expenses as a percentage of the Fund's NAV for the financial year prior to the Listing date, excluding any extraordinary or abnormal expenses permitted under the Constitution that are incurred by the Fund or resulting from changes to the current GST regime. This includes the initial ASX listing fees. Once this one year period from the Listing date has elapsed, the Fund may bear the additional expenses. For more information, please refer to section 7.4 below.

If you would like to calculate the effect of fees and costs on your investment you can visit the ASIC website (<https://www.moneysmart.gov.au/>) and use their managed investment fee calculator.

7.4. ADDITIONAL EXPLANATION OF FEES AND COSTS

ABOUT MANAGEMENT COSTS

Management costs include the Responsible Entity's fees, Ophir's fees, Link's custody and administration fees, Automic's registry fees, performance fees, ordinary and abnormal expenses and any indirect costs.

Fees payable to the Responsible Entity and Ophir's management fees are calculated and accrued daily based on the Net Asset Value of the Fund (excluding accrued fees) and are paid monthly in arrears.

Management costs paid out of Fund assets reduce the Net Asset Value of the Fund and are reflected in the Unit price.

Management costs exclude transactional and operational costs (i.e. costs associated with investing the underlying assets).

Indirect costs are part of management costs and include fees and expenses arising from any investment that qualifies as an interposed vehicle (e.g. any underlying fund that the Fund may invest in) and certain over-the-counter (OTC) derivative costs. The Fund's indirect costs are based on the actual portfolio held during the financial year ending 30 June 2018 and are estimated to be nil. This is because the Fund did not invest in any interposed vehicles and did not use OTC derivatives. Actual indirect costs for future years may differ where the portfolio composition changes.

The Constitution for the Fund provides that expenses incurred by the Responsible Entity in relation to the proper performance of its duties in respect of the Fund are payable or reimbursable out of the assets of the Fund. The ordinary expenses for the Fund are estimated at 0.10% p.a. of the net assets of the Fund. These are the ordinary and every day expenses incurred in operating the Fund and are deducted from the assets of the Fund as and when they are incurred. For the first year after the Listing date, Ophir has agreed to pay for any recoverable expenses incurred by the Fund when listed that exceed the average recoverable expenses as a percentage of the Fund's NAV for the financial year prior to the Listing date, excluding any extraordinary or abnormal expenses permitted under the Constitution that are incurred by the Fund or resulting from changes to the current GST regime. This includes the initial ASX listing fees. Once this one year period from the Listing date has elapsed, the Fund may bear the additional expenses.

The Responsible Entity also reserves the right to recover abnormal expenses from the Fund. Abnormal expenses are expected to occur infrequently and may include (without limitation) costs of litigation to protect Unitholders' rights, costs to defend claims in relation to the Fund, Unitholder meetings and termination and wind up costs.

PERFORMANCE FEES

Ophir is entitled to a performance fee of 20.5% p.a. of the amount the Fund outperforms the Benchmark (being the S&P/ASX Mid-Small Index) during a performance period, after deduction of other fees and expenses. The performance period is each six-month period (or part period where relevant) ending on 30 June and 31 December respectively, and any performance fee is paid semi-annually in arrears. The performance fee is calculated daily and is only accrued if the Fund outperforms the Benchmark during the period and makes up any underperformance from prior performance periods.

For example, if the Benchmark returned 5% in the performance period and the Fund returned (after deduction of other fees and expenses) 10% and the Net Asset Value of the Fund as at the commencement of the performance period was \$100,000 and there was no prior underperformance, then the performance fee for that performance period would be \$1,025 (calculated as $\$100,000 \times [10\% - 5\%] \times 20.5\%$).

Note – this is an example only and is not a representation of likely future performance. The actual performance fee and total management costs will depend on the performance of the Manager and may vary from this example.

Where no performance fee has been payable for 3 consecutive years, the Responsible Entity (in consultation with the Manager) may (but is not obliged to) reset any underperformance to zero.

TRANSACTIONAL AND OPERATIONAL COSTS

Transactional and operational costs include brokerage, settlement costs, bid-offer spreads on investments and currency transactions and borrowing, clearing and stamp duty costs. These costs are incurred in connection with day-to-day trading within the Fund and are paid out of the Fund's assets. These amounts will be reflected in the NAV per Unit and will not be paid to the Responsible Entity or the Manager.

Being an actively traded managed fund, the total transaction costs for the Fund over a financial year will vary depending on the number and size of trades executed. Following is a summary of the historical transactional and operational costs incurred by the Fund:

| Year | Total estimated transactional and operational costs (in % pa) | Estimated transactional and operational costs offset by buy/sell spread while Units were not Officially Quoted (in % pa) | Estimated net transactional and operational costs borne by Unitholders (in % pa and \$ terms based on \$50,000 investment) |
|------|---|--|--|
| FY18 | 0.87% | 0.24% | 0.63% or \$315 |

It is difficult to estimate what transactional and operational costs for the 2019 financial year may apply. Actual transactional and operational costs will be dependent on the size, timing and volume of trading within the Fund and are likely to vary from year to year. Unlike in previous financial years, where the Units are Officially Quoted there will be no buy/sell spread charged on Units and so there will be no recovery or offset of transactional and operational costs by a buy/sell spread.

ADVISER REMUNERATION

No commissions will be paid by the Responsible Entity to financial advisers. You may incur a fee for the advice provided to you by your adviser, but this does not represent a fee that the Responsible Entity has charged you for investing in the Fund and is not an amount paid out of the assets of the Fund. You should refer to the Statement of Advice they give you in which details of the fees are set out.

CAN FEES BE DIFFERENT FOR DIFFERENT INVESTORS?

The Manager may from time to time negotiate a different fee arrangement (by way of a rebate of fees) with "wholesale" investors or otherwise in accordance with ASIC requirements. Any fee rebates will be paid out of the assets of the Manager and will not be paid from the assets of the Fund. The size of the investment and other relevant factors may be taken into account. The terms of these arrangements are at the discretion of the Manager.

CAN THE FEES CHANGE?

Yes, all fees can change. Reasons might include changing economic conditions and changes in regulation. Fees may also change due to an increase in GST payable or a change to RITC that the Fund is entitled to claim. The Constitution sets the maximum amount the Responsible Entity can charge for all fees. If the Responsible Entity wished to raise fees above the amounts allowed for in the Constitution, the Responsible Entity would need the approval of Unitholders. The Responsible Entity will give Unitholders at least 30 days' advanced notice of any proposed change to these fees where practicable. The Responsible Entity may accept lower fees than those disclosed in the fee table in this Section 7.

CAN THE FEE BE UPDATED?

Yes. Each of the management costs components, as well as the transactional and operational costs, are based on the Responsible Entity's actual knowledge, or reasonable estimate of the particular fee or cost. Estimates may be based on a number of factors including (where relevant), previous Financial Year information, information provided by third parties or as a result of making reasonable enquiries, and typical costs of the relevant investment. Therefore the actual fees and costs may differ and are subject to change from time to time.

Until the Fund becomes listed, updated information that is not materially adverse to Unitholders will be updated online at <http://www.ophiram.com.au/ophir-high-conviction-fund> or free of charge on request from the Manager. If a change is considered materially adverse to Unitholders, the Responsible Entity will issue a supplementary or replacement product disclosure statement, which will be available online or free of charge on request from the Manager.

When the Fund becomes listed on ASX, the Responsible Entity will comply with the continuous disclosure requirements of the ASX Listing Rules.

Note - past performance is not an indicator of future performance and fees or costs may change in future years.

GOVERNMENT CHARGES AND TAXES

Government taxes such as GST are applied to your account as appropriate. In addition to the fees and costs described in this Section 7, standard government fees, duties and bank charges may also apply such as stamp duties. Some of these charges may include additional GST and will apply to your investments and withdrawals as appropriate.

8. MANAGEMENT AND CORPORATE GOVERNANCE

8.1. CORPORATE GOVERNANCE

Responsibility for the Fund's proper corporate governance rests with the Responsible Entity. The Responsible Entity's guiding principle in meeting this responsibility is to act honestly, in good faith and in the best interests of the Fund as a whole.

The Responsible Entity has entered into a Management Agreement with the Manager pursuant to which the Manager will provide certain management and administrative services to the Fund. Please see Section 11.2 for a summary of the Management Agreement.

The Responsible Entity, with reliance upon the Manager, will monitor the operational and financial position and performance of the Fund. The Directors of the Responsible Entity are committed to implementing high standards of corporate governance in operating the Fund. Accordingly, the Responsible Entity has created a framework for managing the Fund, including adopting relevant internal controls, risk management processes and corporate governance policies and practices. The Responsible Entity believes these are appropriate for the Fund's business and are designed to promote the responsible management and conduct of the Fund.

Under the Management Agreement, the Manager agrees to assist the Responsible Entity in complying with its obligation to provide continuous disclosure under the Listing Rules and the Corporations Act and certain other regulatory obligations and to provide reports as to the Manager's compliance under the Management Agreement.

The Responsible Entity is a wholly-owned subsidiary of Perpetual.

The Responsible Entity is reliant on Perpetual for access to adequate resources, including Directors, management, staff, functional support (such as company secretarial, responsible managers, legal, compliance and risk, finance) and financial resources. Perpetual has made such resources available to the Responsible Entity.

8.2. CORPORATE GOVERNANCE POLICIES

The Responsible Entity has adopted the following policies and charters, which have been prepared having regard to the ASX Corporate Governance Principles and Recommendations:

- **Code of Conduct** – This policy sets out the standards of ethical behaviour and integrity that the Responsible Entity expects from its Directors, officers and any employees.
- **Continuous Disclosure Policy** – The Responsible Entity must comply with the continuous disclosure requirements of the Listing Rules and the Corporations Act to ensure it discloses to the ASX any information concerning the Fund which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the Units (unless an applicable exemption applies). This policy sets out the Responsible Entity's procedures and measures which are designed to ensure that it complies with continuous disclosure obligations.
- **Risk Framework** – This framework is designed to assist the Responsible Entity to identify, evaluate, monitor and manage risks affecting the Responsible Entity's business and the Fund.
- **Securities Trading Policy** – This policy is designed to maintain investor confidence in the integrity of the Responsible Entity's internal controls and procedures and in particular to provide guidance to Directors, executives and any employees on avoiding any conflicts of interest or breaches of insider trading laws.
- **Communications Policy** – This policy sets out the practices which the Responsible Entity will implement to ensure effective and efficient communication with its Unitholders.
- **Diversity Policy** – This policy sets out the Responsible Entity's objectives for achieving diversity amongst its Directors, executives and any employees.
- **Compliance Plan** – This plan sets out the procedures for the Responsible Entity to comply with the Corporations Act and the Constitution. This plan is overseen by a 'Compliance Committee' and the Responsible Entity's compliance with it is audited annually.
- **Compliance Committee** – The Responsible Entity has established the Compliance Committee with a majority of external members. A Compliance Committee charter governs the key aspects of the Compliance Committee. Compliance Committee members include:

| | |
|--------------------|--|
| Michelene Collopy | <p>Michelene is Chair of Perpetual Superannuation Limited as an independent director and a member of its Audit and Risk Committee. Michelene is an experienced professional in funds management, treasury, risk management, compliance and corporate governance with over 20 years' experience in financial markets. Michelene holds a Bachelor of Economics degree from the Australian National University and is a Chartered Accountant. Michelene also holds a Financial Planning Accreditation from Deakin University, is a Financial Planning Specialist with the Institute of Chartered Accountants and a Fellow of the Australian Institute of Company Directors.</p> <p>Michelene is a director of Teachers Mutual Bank and a Council Member of the University of Technology Sydney.</p> |
| Virginia Malley | <p>Virginia has 31 years' experience in the investment and banking sectors, including 16 years' experience as a company director. Her areas of expertise are regulatory compliance, financial and environmental markets and governance, and risk management.</p> <p>Virginia is a non-executive director of Perpetual Superannuation Limited, a member of several Perpetual compliance committees, a member of the Sydney Airport Trust compliance committee and member of the clean energy regulator.</p> <p>Virginia was previously the Chief Risk Officer and member of the Clean Technology, Asia/Pacific, Private Equity and Global/Advisory Investment Committees at Macquarie Funds Management Group. She oversaw the risk management of portfolios investing in clean technologies, listed equities, derivatives, currencies and private equity.</p> <p>Virginia is a Fellow of the Australian Institute of Company Directors. She holds a Bachelor of Arts and a Master of Applied Finance from Macquarie University, a Master of Laws from the University of Sydney, and a Juris Doctor from the University of Technology, Sydney.</p> |
| Michael Vainauskas | Please refer to Michael's biography in section 4.5. |

8.3. ASX CORPORATE GOVERNANCE PRINCIPLES

The Responsible Entity has evaluated its current corporate governance policies and practices in light of the ASX Corporate Governance Principles and Recommendations. A brief summary of the approach currently adopted by the Responsible Entity is set out below.

PRINCIPLE 1 - LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

The role of the Responsible Entity's Board is generally to set objectives and goals for the operation of the Responsible Entity and the Fund, to oversee the Responsible Entity's management, to regularly review performance and to monitor the Responsible Entity's affairs acting in the best interests of the Fund as a whole. The Responsible Entity's Board is accountable to the Unitholders, and is responsible for approving the Responsible Entity's overall objectives and overseeing their implementation in discharging their duties and obligations and operating the Fund.

The role of the Responsible Entity's management is to manage the business of the Responsible Entity in operating the Fund. The Responsible Entity's Board delegates to management all matters not reserved to the Responsible Entity Board, including the day-to-day management of the Responsible Entity and the operation of the Fund. Directors, management and staff are guided by Perpetual's Code of Conduct, which is designed to assist them in making ethical business decisions.

PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE

At present the Responsible Entity's Board consists of four executive Directors and two alternate Directors. The names of the current Directors and year of appointment is provided below. Please refer to each Director's biography in section 4.5 for further information.

| Name | Year of appointment |
|-------------------------------|---------------------|
| Richard McCarthy | 2018 |
| Glenn Foster | 2015 |
| Phillip Blackmore (Alternate) | 2018 |
| Andrew McIver (Alternate) | 2017 |
| Vicki Riggio | 2018 |
| Michael Vainauskas | 2015 |

None of the Directors or alternate Directors of the Responsible Entity Board are independent. As the Responsible Entity Board consists of only executive Directors, a Compliance Committee is appointed in relation to the Fund (refer to Principle 7). The Compliance Committee comprises a majority of independent members and is chaired by an independent member who is not the chair of the Responsible Entity's Board.

PRINCIPLE 3 - PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING

The Responsible Entity has a Code of Conduct and espoused Core Values and a further values framework known as the 'Way we Work' within which it carries on its business and deals with its stakeholders. These apply to all directors and employees of Perpetual and the Responsible Entity.

The Code of Conduct and Core Values supports all aspects of the way the Responsible Entity conducts its business and is embedded into Perpetual's performance management process. The Code of Conduct is available on Perpetual's website (<https://www.perpetual.com.au/>).

PRINCIPLE 4 - SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

The functions of an audit committee are undertaken by the full Board of the Responsible Entity with assistance from the Responsible Entity's management. The declarations under section 295A of the Corporations Act provide formal statements to the Responsible Entity Board in relation to the Fund (refer to Principle 7). The declarations confirm the matters required by the Corporations Act in connection with financial reporting. The Responsible Entity receives confirmations from the service providers involved in financial reporting and management of the Fund, including the Manager, which assist its staff in making the declarations provided under section 295A of the Corporations Act.

The Responsible Entity manages the engagement and monitoring of independent external auditors for the Fund. The Responsible Entity Board receives periodic reports from the external auditors in relation to financial reporting and the compliance plan for the Fund.

PRINCIPLE 5 - MAKE TIMELY AND BALANCED DISCLOSURE

The Responsible Entity has a continuous disclosure policy to ensure compliance with the continuous disclosure requirements of the Corporations Act and the Listing Rules in relation to the Fund. The policy requires timely disclosure of information to be reported to the Responsible Entity's management and/or Directors to ensure that information that a reasonable person would expect to have a material effect on the Unit price, or would influence an investment decision in relation to the Fund, is disclosed to the market. The Responsible Entity's employees assist management and/or the Directors in making disclosures to the ASX after appropriate Responsible Entity Board consultation. The Responsible Entity requires service providers, including the Manager, to comply with its policy in relation to continuous disclosure for the Fund.

PRINCIPLE 6 – RESPECT THE RIGHTS OF UNITHOLDERS

The Responsible Entity is committed to ensuring timely and accurate information about the Fund is available to Unitholders via the following website: <http://www.ophiram.com.au/ophir-high-conviction-fund>. All ASX announcements will be promptly posted on the website. The annual and half year financial results statements and other communication materials are also published on the website.

In addition to the continuous disclosure obligations, the Responsible Entity receives and responds to formal and informal communications from Unitholders and convenes formal and informal meetings of Unitholders as requested or required. The Responsible Entity has an active program for effective communication with Unitholders and other stakeholders in relation to the Fund.

The Responsible Entity handles any complaints received from Unitholders in accordance with Perpetual's 'Complaints Handling Policy'. The Responsible Entity is a member of the Australian Financial Complaints Authority (AFCA), an independent dispute resolution body, which is available to Unitholders in the event that any complaints in relation to the Fund cannot be satisfactorily resolved by the Responsible Entity.

PRINCIPLE 7 – RECOGNISE AND MANAGE RISK

The Responsible Entity values the importance of robust risk management systems and maintains a current risk register as part of its formal risk management program. The Responsible Entity has established a Compliance Committee, comprised of Virginia Malley, Michelene Collopy and Michael Vainauskas.

The Compliance Committee meets at least quarterly. The Compliance Committee Charter sets out the Compliance Committee's role and responsibilities. The Compliance Committee is responsible for compliance matters regarding the Responsible Entity's Compliance Plan and Constitution and the Corporations Act. Perpetual's Audit, Risk and Compliance Committee is responsible for oversight of Perpetual's risk management and internal control systems. The Audit, Risk and Compliance Committee of Perpetual is comprised of Ian Hammond, Philip Bullock, Nancy Fox and Craig Ueland. The Audit, Risk and Compliance Committee terms of reference sets out its role and responsibilities. This can be obtained on Perpetual's website at <https://www.perpetual.com.au/>. The majority of the Compliance Committee and the Audit, Risk and Compliance Committee members are independent. These committees are chaired by independent members.

The Responsible Entity manages the engagement and monitoring of independent external auditors for the Fund. The Responsible Entity Board receives periodic reports in relation to financial reporting and the compliance plan audit outcomes for the Fund.

Perpetual has a risk management framework in place, which is reviewed annually. The declarations under section 295A of the Corporations Act provide assurance regarding whether Perpetual has a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks. The Responsible Entity also receives appropriate declarations from the service providers involved in financial reporting.

Perpetual has an internal audit function which reports to Perpetual's Audit and Risk Compliance Committee, is for administrative purposes Perpetual's Chief Risk Officer and is independent from the external auditor. Perpetual's Audit and Risk Compliance Committee reviews the annual Internal Audit Plan and also reviews reports issued by the Head of Internal Audit.

PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY

The fees and expenses which the Responsible Entity is permitted to pay out of the assets of the Fund are set out in the Fund's Constitution. The Fund's financial statements provide details of all fees and expenses paid by the Fund during a financial period.

9. FINANCIAL INFORMATION

9.1. INTRODUCTION

The financial information for the Fund contained in this Section 9 includes:

- statutory historical financial information of the Fund, being the:
 - o statutory historical statements of financial position as at 30 June 2016, 30 June 2017 and 30 June 2018;
 - o statutory historical statements of cash flows for the financial years ending 30 June 2016 (FY2016), 30 June 2017 (FY2017) and 30 June 2018 (FY2018);
 - o statutory historical statements of profit or loss and other comprehensive income FY2016, FY2017 and FY2018; and
- historical statement of financial position as at 26 November 2018.

All amounts disclosed in this Section 9 are presented in Australian dollars and, unless otherwise noted, are rounded to the nearest thousand. Tables in this Section 9 have not been amended to correct immaterial summation differences that may arise from this rounding convention.

The financial Information presented in this Section 9 should be read in conjunction with the risk factors set out in Section 6 and other information contained in this PDS.

9.2. HISTORICAL FINANCIAL INFORMATION

A compilation of the historical statements of financial position as at 30 June 2016, 30 June 2017 and 30 June 2018, and statements of cash flows and statements of profit or loss and other comprehensive income for the Fund for FY2016, FY2017 and FY2018 are shown below.

The summary financial information in this section 9.2 has been compiled from the audited financial statements of the Fund for FY2016, FY2017 and FY2018. The historical financial statements for FY2017 and FY2018 have been audited by Ernst & Young in accordance with Australian Auditing Standards. Ernst & Young issued unqualified audit opinions in respect of these financial statements. The historical financial statements for FY2016 were audited by Nexia Sydney Partnership, which issued an unqualified audit opinion.

The summary financial information is presented in an abbreviated form and does not include all of the disclosures, statements or comparative information required by the Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act.

A summary of significant accounting policies for the financial statements is set out in Section 9.4.

SUMMARY STATEMENT OF FINANCIAL POSITION

| | As at 30 June 2016 | As at 30 June 2017 | As at 30 June 2018 |
|---|--------------------|--------------------|--------------------|
| Assets | | | |
| Cash and cash equivalents | 37,084 | 30,677 | 104,569 |
| Receivables | 3,115 | 447 | 1,030 |
| Due from brokers - receivable for securities sold | 2,668 | 589 | 4,413 |
| Financial assets held at fair value through profit or loss | 81,582 | 222,562 | 553,660 |
| Total assets | 124,449 | 254,275 | 663,672 |
| Liabilities | | | |
| Distributions payable | 20 | 1,911 | 10,793 |
| Payables | 23,217 | 2,474 | 7,989 |
| Due to brokers - payable for securities purchased | 7,276 | 3,891 | 10,932 |
| Total liabilities (excluding net assets attributable to unitholders) | 30,513 | 8,276 | 29,714 |
| Net assets attributable to unitholders - liability | 93,936 | 245,999 | 633,958 |

SUMMARY STATEMENT OF CASH FLOWS

| | For the period 30 July 2015 to 30 June 2016 \$'000 | Year ended 30 June 2017 \$'000 | Year ended 30 June 2018 \$'000 |
|---|--|--------------------------------------|--------------------------------------|
| Cash flows from operating activities | | | |
| Proceeds from sale of financial instruments held at fair value through profit or loss | 82,741 | 375,873 | 300,127 |
| Purchase of financial instruments held at fair value through profit or loss | (154,647) | (512,463) | (518,952) |
| Interest income received | 69 | 324 | 502 |
| Dividends and distributions received | 372 | 4,150 | 7,347 |
| Management fees paid | (214) | (2,179) | (4,246) |
| Performance fees paid | - | (136) | - |
| Administration fees paid | - | - | (130) |
| Transaction costs paid | (458) | (1,626) | (1,159) |
| Expense reimbursement fees paid | (166) | (298) | (34) |
| Other operating expenses paid | - | - | (77) |
| Net cash outflow from operating activities | (72,303) | (136,355) | (216,622) |
| Cash flows from financing activities | | | |
| Proceeds from applications by unitholders | 109,714 | 146,302 | 302,026 |
| Payments for redemptions by unitholders | (327) | (16,354) | (10,622) |
| Distributions paid | - | - | (890) |
| Net cash inflow from financing activities | 109,387 | 129,948 | 290,514 |
| Net increase/(decrease) in cash and cash equivalents | 37,084 | (6,407) | 73,892 |
| Cash and cash equivalents at the beginning of the period | - | 37,084 | 30,677 |
| Cash and cash equivalents at the end of the period | 37,084 | 30,677 | 104,569 |
| Non-cash financing activities | - | 20 | 1,021 |

SUMMARY STATEMENT OF INCOME

| | For the period 30 July 2015 to 30 June 2016 \$'000 | Year ended 30 June 2017 \$'000 | Year ended 30 June 2018 \$'000 |
|---|--|--------------------------------------|--------------------------------------|
| Investment income | | | |
| Interest income | 86 | 328 | 563 |
| Dividend income | 425 | 4,132 | 7,362 |
| Net gains on financial instruments held at fair value through profit or loss | 5,068 | 5,695 | 109,007 |
| Total investment income | 5,579 | 10,155 | 116,932 |
| Expenses | | | |
| Responsible Entity's fees | - | - | 43 |
| Management fees | 274 | 2,192 | 4,427 |
| Performance fees | 117 | - | 6,124 |
| Administration fees | - | - | 150 |
| Transaction costs | 414 | 1,485 | 1,209 |
| Remuneration of auditors | - | - | 29 |
| Expense reimbursement fees | 112 | 366 | - |
| Other operating expenses | - | - | 108 |
| Total operating expenses | 917 | 4,043 | 12,090 |
| Expenses | | | |
| Operating profit | 4,662 | 6,112 | 104,842 |
| Finance costs attributable to unitholders | | | |
| Distributions to unitholders | (20) | (1,911) | (10,793) |
| Increase in net assets attributable to unitholders | (4,642) | (4,201) | (94,049) |
| Profit/(loss) for the period | - | - | - |
| Other comprehensive income | | | |
| Total comprehensive income for the period | - | - | - |

9.3. HISTORICAL STATEMENT OF FINANCIAL POSITION

The historical statement of financial position as at 26 November 2018 set out below has been prepared solely for the purpose of inclusion in this PDS and has been compiled from the historical financial information maintained by Link, which is unaudited.

| | As at 30 June 2018 \$'000 | Unaudited * As at 26 November 2018 \$'000 |
|---|------------------------------|--|
| Assets | | |
| Cash and cash equivalents | 104,569 | 96,003 |
| Receivables | 1,030 | 1,429 |
| Due from brokers - receivable for securities sold | 4,413 | 4,157 |
| Financial assets held at fair value through profit or loss | 553,660 | 396,168 |
| Total assets | 663,672 | 497,757 |
| Liabilities | | |
| Distributions payable | 10,793 | - |
| Payables | 7,974 | 849 |
| Redemptions Payable | 15 | 66,397 |
| Due to brokers - payable for securities purchased | 10,932 | - |
| Total liabilities (excluding net assets attributable to unitholders) | 29,714 | 67,246 |
| Net assets attributable to unitholders - liability | 633,958 | 430,511 |

* Based on information as at 26 November 2018 provided by Link

9.4. SIGNIFICANT ACCOUNTING POLICIES FOR THE HISTORICAL FINANCIAL INFORMATION

The principal accounting policies applied in the preparation of the financial information summarised in Section 9.2 are set out below. These policies have been consistently applied to each of FY2016, FY2017 and FY2018, and are consistent with the audited financial statements of the Fund for FY2016, FY2017 and FY2018, unless stated otherwise.

(A) BASIS OF PREPARATION

For the FY2018, the general purpose financial statements were prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the Corporations Act. For FY2016 and FY2017, the special purpose financial statements were prepared in accordance with the requirements of the recognition and measurement aspects of all applicable Australian Accounting Standards (including the Australian Accounting Interpretations) adopted by the AASB and the disclosure requirements of certain pronouncements. The Fund is a for-profit entity for the purpose of preparing the financial statements.

The financial statements were prepared on the basis of fair value measurement of assets and liabilities, except where otherwise stated.

Financial Positions are presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within twelve months, except for investments in financial assets and net assets attributable to Unitholders. The amount expected to be recovered or settled within twelve months after the end of each reporting period cannot be reliably determined.

(i) Compliance with International Financial Reporting Standards (IFRS)

The financial statements for FY2018 comply with IFRS as issued by the International Accounting Standards Board.

(ii) New and amended standards adopted by the Fund

In no period were there any new standards, interpretations or amendments to existing standards that were effective for the first time and that had a material impact on the Fund.

For the purposes of the summary financial statements for the Financial Year 2017, the amendments to AASB 107 Statement of Cash Flows were early adopted.

(iii) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2018 reporting period or previous reporting periods and have not been early adopted for the Fund. The Directors' assessment of the impact of these new standards (to the extent relevant to the Fund) and interpretations is set out below:

• AASB 9 Financial Instruments (and applicable amendments) (effective from 1 January 2018)

AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities. It has now also introduced revised rules around hedge accounting and impairment. The standard is not applicable until 1 January 2018. The Directors do not expect this to have a significant impact on the recognition, classification and measurement of the Fund's financial instruments as they are carried at fair value through profit or loss. The derecognition rules have not been changed from the previous requirements, and the Responsible Entity does not apply hedge accounting to the Fund. AASB 9 introduces a new impairment model. However, as the Fund's investments are all held at fair value through profit and loss, the change in impairment rules will not materially impact the Fund.

• AASB 15 Revenue from Contracts with Customers (effective from 1 January 2018)

AASB 15 will replace AASB 118 Revenue, which covers contracts for goods and services and AASB 111 Construction Contracts, which covers construction contracts. AASB 15 is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.

The Fund's main sources of income are interest, dividends and distributions, and gains on financial instruments held at fair value. All of these are outside the scope of the new revenue standard. As a consequence, the Directors do not expect the adoption of AASB 15 to have a significant impact on the Fund's accounting policies or the amounts recognised in the financial statements of the Fund.

There are no other standards that are not yet effective and that are expected to have a material impact on the Fund in the current or future reporting periods and on foreseeable future transactions.

(B) FINANCIAL INSTRUMENTS

(i) Classification

The Fund's investments are classified as held at fair value through profit or loss. They comprise:

• Financial instruments designated at fair value through profit or loss upon initial recognition

These include financial assets that are not held for trading purposes and which may be sold at any time prior to maturity. These are investments in exchange traded equity instruments.

Financial assets and liabilities designated at fair value through profit or loss at inception are those managed and their performance evaluated on a fair value basis in accordance with the Fund's documented investment strategy.

The policy applicable to the Fund is for the Responsible Entity to evaluate the information about these financial instruments on a fair value basis together with other related financial information.

(ii) Recognition/derecognition

The Responsible Entity recognises financial assets and financial liabilities of the Fund on the date it becomes party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or the Fund has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when the obligation under the liabilities are discharged.

(iii) Measurement

Financial instruments held at fair value through profit or loss

At initial recognition, the Responsible Entity measures a financial asset and financial liability of the Fund at its fair value. Transaction costs of financial assets and liabilities carried at fair value through profit or loss are expensed in the summary statement of comprehensive income.

Subsequent to initial recognition, all financial assets and financial liabilities held at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities held at fair value through profit or loss' category are presented in the summary statement of comprehensive income within net gains/(losses) on financial instruments held at fair value through profit or loss in the period in which they arise.

(iv) Offsetting financial instruments

Financial assets and liabilities of the Fund are offset and the net amount is reported in the summary statement of financial position when the Responsible Entity has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. As at the end of each relevant reporting period, there are no financial assets or liabilities offset or which could be offset in the summary statement of financial position.

(C) NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

Units are redeemable at the Unitholders' option, however, applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of the Unitholders. The Units are classified as financial liabilities.

The Units can be put back to the Fund at any time for cash based on the redemption price which is equal to a proportionate share of the Fund's Net Asset Value attributable to the Unitholders.

The Units are carried at the redemption amount that is payable at the reporting date if the holder exercises the right to put the Unit back to the Fund.

(D) CASH AND CASH EQUIVALENTS

For the purpose of presentation in summary statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short term, highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as trading of these securities represent the Fund's main income generating activity.

(E) INVESTMENT INCOME

Interest income on cash and cash equivalents is recognised in the Statement of Comprehensive Income on an accruals basis.

Changes in fair value for financial instruments held at fair value through profit and loss are recorded in accordance with the policies described in paragraph (b) (Financial instruments) above.

Dividend income is recognised on the ex-dividend date with any related foreign withholding tax recorded as an offset to dividend income. The Fund currently incurs withholding tax imposed by certain countries on investment income. Such income is recorded net of withholding tax in the summary statement of comprehensive income.

Other income is recognised on an accruals basis.

(F) EXPENSES

All expenses are recognised in the summary statement of comprehensive income on an accruals basis.

(G) INCOME TAX

Under current legislation, for the FY2018 the Fund is not subject to income tax provided it attributes the entirety of its taxable income to its Unitholders.

For prior periods the Unitholders are presently entitled to the income of the Fund.

Financial instruments held at fair value may include unrealised capital gains. Should such a gain be realised, that portion of the gain that is subject to capital gains tax will be distributed so that the Fund is not subject to capital gains tax.

Realised losses are not distributed to unitholders but are retained in the Fund to be offset against any future realised capital gains. If realised capital gains exceed realised losses, the excess is distributed to the Unitholders.

(H) DISTRIBUTIONS

For FY2018 the Responsible Entity may distribute the Fund's distributable income in accordance with the Fund's Constitution, to Unitholders by cash or reinvestment.

For prior periods the Responsible Entity must distribute the Fund's distributable income in accordance with the Fund's Constitution, to Unitholders by cash or reinvestment.

The distributions are recognised in the summary statement of comprehensive income.

(I) INCREASE/DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

Income not distributed is included in net assets attributable to Unitholders. Where the Fund's Units are classified as financial liabilities, movements in net assets attributable to Unitholders are recognised in the summary statement of comprehensive income as finance costs.

(J) DUE FROM/TO BROKERS

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by the end of the year. Trades are recorded on trade date, and for equities normally settled within two business days. A provision for impairment of amounts due from brokers is recognised in the summary statement of comprehensive income when there is objective evidence that the Fund will not be able to collect all amounts due from the relevant broker. Indicators that the amount due from brokers is impaired include significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation and default in payments.

(K) RECEIVABLES

Receivables may include amounts for dividends and interest. Dividends are accrued when the right to receive payment is established. Interest is accrued at the reporting date from the time of last payment. Amounts are generally received within 30 days of being recorded as receivables. Receivables also include such items as Reduced Input Tax Credits (**RITC**).

Collectability of receivables is reviewed on an ongoing basis. Receivables which are known to be uncollectable are written off by reducing the carrying amount directly. The amount of the impairment loss is recognised in the summary statement of comprehensive income within other expenses. Subsequent recoveries of amounts previously written off are credited against other expenses in the summary statement of comprehensive income.

(L) PAYABLES

Payables include liabilities and accrued expenses owed by the Fund and any distributions declared which are unpaid as at the end of the reporting period.

A separate distributions payable is recognised in the summary statement of financial position.

Distributions declared effective 30 June in relation to Unitholders who have previously elected to reinvest distributions are recognised as reinvested effective 1 July of the following financial year.

(M) APPLICATIONS AND REDEMPTIONS

Unit application and redemption prices are determined by reference to the net assets of the Fund divided by the number of Units on issue, adjusted for buy/sell spreads.

(N) GOODS AND SERVICES TAX (GST)

The GST incurred on the costs of various services provided by third parties for the Fund such as audit fees, custodial services and investment management fees have been passed on to the Fund. The Fund qualifies for RITC at a rate of at least 55%; hence investment management fees, administration fees, custodial fees and other expenses have been recognised in the summary statement of comprehensive income net of the amount of GST recoverable from the ATO. Amounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the summary statement of financial position. Cash flows relating to GST are included in the summary statement of cash flows on a gross basis.

(O) USE OF ESTIMATES

The Responsible Entity makes estimates and assumptions that affect the reported amounts of assets and liabilities of the Fund within the current and next financial year. Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For the majority of the Fund's financial instruments, quoted market prices are readily available.

(P) COMPARATIVE REVISIONS

Comparative information has been revised where appropriate to enhance comparability. Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

(Q) ROUNDING OF AMOUNTS

For the FY2018, the Fund is an entity of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by ASIC relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded to the nearest thousand dollars in accordance with that ASIC Corporations Instrument, unless otherwise indicated.

10. ABOUT TAX

10.1. TAXATION CONSIDERATIONS

The comments in this Section 10 provide a general outline of the Australian taxation implications for Australian tax resident individual Unitholders and non-resident Unitholders who acquire and hold their Units on capital account for income tax purposes. This Section does not consider Unitholders who either hold their Units on revenue account or as trading stock, are exempt from Australian income tax or are subject to the Taxation of Financial Arrangements rules in Division 230 of the Income Tax Assessment Act 1997 (Cth) (ITAA 1997).

This summary does not consider the Australian income tax implications for non-resident Unitholders that acquire their Units through a 'permanent establishment' in Australia or through an Australian interposed entity (or entities). This summary is based on Australian taxation laws contained in the ITAA 1997, Income Tax Assessment Act 1936 (Cth), Income Tax Rates Act 1986 (Cth), Income Tax (Transitional Provisions) Act 1997 (Cth), A New Tax System (Goods & Services Tax) Act 1999 (Cth), Tax Administration Act 1953 (Cth) and the applicable stamp duty legislation as at the date of the PDS.

Taxation laws are subject to ongoing change. Accordingly, this Section does not consider any changes in administrative practice or interpretation by the relevant tax authorities, or any changes (or anticipated changes) in law by judicial decision or legislation following the date of the PDS. To the extent that there are any changes in law after the date of the PDS, including those having retrospective effect, Unitholders should consider the taxation implications, taking into account their own individual circumstances.

This taxation summary is general in nature and does not cover all tax consequences that could apply in all circumstances of any Unitholder. It is recommended that each Unitholder obtain their own professional and independent taxation advice before acquiring or disposing of Units.

This summary does not constitute financial product advice in the ordinary sense or as defined in the Corporations Act.

This summary is confined to Australian taxation implications and is only one aspect to be considered before making an investment decision. As taxation consequences can only be determined by reference to Unitholders' particular circumstances, Unitholders should seek independent professional advice in relation to their own particular circumstances before acquiring or disposing of Units in the Fund.

10.2. TAXATION IMPLICATIONS OF REDEEMING EXISTING UNITS AND ACQUIRING REPLACEMENT UNITS

The redemption of Existing Units should result in a disposal by Unitholders and should trigger a CGT event. However, for resident Unitholders who hold their Existing Units on capital account and who choose rollover (eligible Unitholders) any resulting capital gain may be deferred provided certain conditions are met pursuant to Subdivision 124-E of the ITAA 1997 (discussed below).

A CGT calculation will be required in respect of each Existing Unit. Unitholders should:

- make a capital gain if the capital proceeds (i.e. the market value of Replacement Units received) on disposal of their Existing Units is greater than the cost base of their Existing Units; or
- alternatively, make a capital loss if the reduced cost base of their Existing Units is greater than the capital proceeds from the disposal of their Existing Units.

The cost base (or reduced cost base) of each Existing Unit to the Unitholder should generally be the acquisition cost (including incidental costs) of that Unit. There are special rules in the Australian tax legislation which determine how to calculate the cost base (or reduced cost base) of Units in particular circumstances. For example, Unitholders will need to take into account any returns of capital and tax deferred distributions received in respect of those Existing Units. Unitholders should seek their own advice on the relevant cost base (or reduced cost base) of their Unit holdings.

The capital proceeds attributable to each Unitholder should be the market value of the Replacement Units in respect of each Existing Unit.

CAPITAL GAINS AND LOSSES

Capital gains and capital losses of a taxpayer in an income year are aggregated to determine whether there is a net capital gain. Any net capital gain is included in a taxpayer's assessable income and is subject to income tax at the taxpayer's applicable tax rate. A CGT discount may be available to reduce a capital gain for certain Unitholders.

Unitholders who are individuals, complying superannuation funds or trusts (conditions apply) who have held their Existing Units for at least 12 months before their disposal should be entitled to the CGT discount to the extent there is a net capital gain for the income year.

Broadly, the CGT discount rules provide that Unitholders may reduce their capital gain (after the application of any current year or prior year capital losses) by 50% for individuals and trusts and 33 1/3% for complying superannuation funds. The CGT discount is not available to Unitholders which are companies.

Capital losses may not be offset against other income for tax purposes, but may be carried forward to offset future capital gains made by a taxpayer. Specific loss utilisation rules apply to trusts and companies. Unitholders should seek their own tax advice in relation to the operation of these rules.

CGT ROLLOVER – EXCHANGE OF UNITS IN THE SAME UNIT TRUST

For Australia tax resident Unitholders who hold their Existing Units on capital account, CGT rollover relief under Subdivision 124-E of the ITAA 1997 (**124-E rollover**) may be available to defer any resulting capital gains (but not capital losses) arising from the disposal of their Existing Units where Replacement Units are received for the disposal.

To the extent that 124-E rollover is available and chosen, the capital gain arising from the disposal of the Existing Units would be disregarded and ultimately, the capital gain will be deferred until a future CGT event happens to the Replacement Units. In effect the attributable cost base of the Existing Units is transferred to the Replacement Units.

The availability of the 124-E rollover will be the subject of an ATO class ruling request on behalf of the Unitholders which is still in the process of finalisation. In order for the Listing to proceed, the Responsible Entity must receive a draft ruling from the ATO. Based on the requirements of Subdivision 124-E, it is expected that the ATO will confirm the availability of such rollover.

COST BASE OF UNITS

Generally, the first element of the cost base (reduced cost base) of the Replacement Units will be the market value of any property given for the acquisition of the Replacement Units (i.e. market value of the Existing Units disposed).

However, should 124-E rollover relief be available and be chosen by the resident Unitholders who hold their units on capital account, the cost base of the Replacement Units will be based on the historic cost base of the Existing Units.

10.3. TAX POSITION OF THE FUND – AMIT

The taxation treatment of the Fund and of Australian resident Unitholders may be affected by the AMIT regime. Outlined below are the circumstances in which the AMIT regime will apply and the effect it may have on the Fund and the Australian resident Unitholders.

The aim of the recently introduced regime for the taxation of managed investment trusts that qualify as an AMIT (the **AMIT Rules**), among other objectives, is to remove a number of uncertainties for trustees and investors that exist under the current tax law and to facilitate fair and reasonable tax outcomes for investors.

The AMIT Rules do not apply automatically to all managed investment trusts. For the AMIT Rules to apply, the Fund must satisfy certain requirements to qualify as an AMIT and the Responsible Entity must make an election (which is irrevocable) to apply the AMIT Rules to the Fund. As at the date of this PDS, the Fund does qualify under the AMIT Rules and the Responsible Entity has made the irrevocable election.

This section outlines some of the key implications of the AMIT Rules for Australian resident Unitholders. It is not intended to be exhaustive or to constitute advice about the impact or merits of the AMIT Rules for any individual Unitholder.

As the AMIT Rules currently apply to the Fund:

- the Fund is deemed to be a 'fixed trust' for taxation law purposes;
- the Responsible Entity can rely on specific legislative provisions in making year-on-year adjustments to reflect under-or-over distributions of the Fund's income (under and overs); and
- the Fund's income will be attributed to Unitholders, which must occur on a 'fair and reasonable' basis taking account of the Unitholder's entitlements to the Fund's income and/or capital.

10.4. TAX POSITION OF AUSTRALIAN RESIDENT UNITHOLDERS UNDER THE AMIT RULES

Australian resident Unitholders will be subject to tax on the income of the Fund which is attributed to them under the AMIT Rules. It is noted that, under the AMIT Rules, the cash paid to a Unitholder does not need to be equal to amounts attributed. The tax payable (if any) by a Unitholder depends on their individual tax profile and applicable tax rate. This is similar to the way in which Unitholders are subject to tax on the income of the Fund to which they are 'presently entitled' when the AMIT Rules do not apply.

Where the AMIT Rules apply, the manner in which the Responsible Entity will report to Unitholders differs to where the AMIT Rules do not apply.

The Responsible Entity is required to provide Unitholders with an AMIT Member Annual Statement (AMMA Statement). The AMMA Statement sets out the amount which has been 'attributed' to a Unitholder (and, where relevant, its components) and other relevant tax information.

Additionally, there is a cost base adjustment mechanism under the AMIT Rules. Broadly, under the AMIT Rules, a Unitholder's cost base in the Units they hold in the Fund can be increased as well as decreased. The AMMA Statement will provide Unitholders with details as to whether they will have an AMIT cost base net increase amount or an AMIT cost base net decrease amount.

10.5. TAX FILE NUMBER (TFN) AND AUSTRALIAN BUSINESS NUMBER (ABN)

It is not compulsory for you to quote your TFN or ABN. If you are making an investment in the Fund in the course of a business or enterprise you carry on, you may quote an ABN instead of a TFN. If you fail to quote an ABN or TFN or claim an exemption, the Responsible Entity may be obliged to withhold tax at the top marginal rate (including Medicare levy) on gross and deemed payments (including distributions of income) to you.

10.6. GOODS AND SERVICES TAX (GST)

The GST information provided in this section 10.6 is of a general nature only.

GST will apply to most expenses of the Fund including management fees and performance fees. The Fund may be entitled to claim an RITC for some of these expenses. Fees and expenses included in Section 7 are quoted on a GST inclusive basis less any RITC available to the Fund.

10.7. STAMP DUTY

Unitholders should not be liable for stamp duty in relation to the issue of Units. Under current stamp duty legislation, no stamp duty would ordinarily be payable by Unitholders on any subsequent transfer of their Units.

10.8. FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA)

In compliance with the U.S income tax laws commonly referred to as FATCA and the Intergovernmental Agreement signed by the Australian government and the U.S. government in relation to FATCA, the Fund will be required to provide information to the ATO in relation to:

- Unitholders that are US citizens or residents;
- entities controlled by US persons; and
- financial institutions that do not comply with FATCA.

The Responsible Entity (through Automatic) is intending to conduct appropriate due diligence (as required). Where the Fund's Unitholders do not provide appropriate information to the Responsible Entity, the Responsible Entity will also be required to report those accounts to the ATO.

10.9. COMMON REPORTING STANDARD (CRS)

The CRS is the single global standard for the collection, reporting and exchange of financial account information of non-residents, which applies to calendar years ending after 1 July 2017. The CRS is similar to FATCA, whereby the Responsible Entity needs to collect and report similar financial account information of all non-residents to the ATO. The ATO may exchange this information with the participating foreign tax authorities of those non-residents.

11. MATERIAL CONTRACTS

The provisions of the material contracts applicable to the Fund are summarised below. As this Section 11 only contains a summary, the provisions of each document are not fully described. To understand fully all rights and obligations pertaining to the material agreements, it would be necessary to read them in full.

11.1. THE FUND'S CONSTITUTION

The Fund is governed by the Constitution. A summary of the key rights and obligations attaching to the Units and a description of the material provisions of the Constitution are set out below. This summary is not exhaustive and does not constitute a definitive statement of the terms of the Constitution. The rights and obligations attaching to ownership of Units are also governed by the Corporations Act, the Listing Rules and general law.

When you invest in the Fund, you agree to be bound by the terms of the PDS and Constitution. Copies of the Constitution are available, free of charge on request from the Manager.

UNITS

The Fund is divided into Units, each of which confers a proportionate beneficial interest in the net assets of the Fund. Each Unit confers an equal interest in the Fund. A Unit does not confer any interest in a particular part or single asset of the Fund. A Unit does not confer any rights over the management of the Fund. A Unitholder holds a Unit subject to the rights and obligations attaching to that Unit.

The rights of Unitholders include rights to:

- receive income and other distributions attributable to Units held;
- transfer Units (subject to the Listing Rules and any permitted refusal by the Responsible Entity);
- convene, or request that the Responsible Entity convene, a meeting of Unitholders;
- attend and vote at meetings of Unitholders;
- receive the annual audited accounts of the Fund; and
- participate in the winding up of the Fund.

NO REDEMPTION OF UNITS

While the Fund is listed on ASX, Units are not able to be redeemed, except under a withdrawal offer or buy-back of Units which satisfies the requirements of the Corporations Act and the Listing Rules.

AMENDMENTS TO THE CONSTITUTION

The Constitution may be amended by the Responsible Entity, provided that the Responsible Entity reasonably considers that the amendment will not adversely affect the rights of Unitholders, or by special resolution of Unitholders. Any amendment to the Constitution will not be effective until the modification is lodged with ASIC.

ISSUE OF UNITS

The Responsible Entity can issue new Units upon and subject to the terms and conditions of the Constitution, including by way of placement, rights issue or DRP. The Constitution provides the Responsible Entity with the discretion to determine the issue price in relation to Units where permitted by ASIC exemptions and the Listing Rules.

LIABILITY OF UNITHOLDERS

A Unitholder's liability is limited to the amount (if any) which remains unpaid for their Units.

The Constitution limits the Responsible Entity's need to compensate Unitholders if things go wrong. Generally, subject always to liability which the Corporations Act imposes, and provided the Responsible Entity acts in good faith and without gross negligence, the Responsible Entity is not liable in equity, contract, tort or otherwise to Unitholders for any loss suffered in any way relating to the Fund.

RESPONSIBLE ENTITY'S POWERS AND DUTIES

The Responsible Entity has all the power in respect of the Fund that can be conferred on a trustee under law and as though it was the absolute owner of the assets acting in its personal capacity. The Responsible Entity may borrow, obtain financial accommodation, incur obligations and liabilities, and may invest in, dispose of or otherwise deal with assets and liabilities.

In discharging its duties, the Responsible Entity is required to comply with the Constitution, the Corporations Act, the Listing Rules and the general law in Australia.

RESPONSIBLE ENTITY'S REMUNERATION AND RECOVERY OF EXPENSES

Under the Constitution the Responsible Entity is entitled to charge the fees summarised in Section 7 of this PDS. Additionally, all expenses incurred by the Responsible Entity in relation to the proper performance of its duties in respect of the Fund are payable or reimbursable out of the assets of the Fund and, if appropriate, such expenses may be attributed to a particular Unitholder or class of Unitholders.

RESPONSIBLE ENTITY'S INDEMNITY

The Responsible Entity is indemnified out of the assets of the Fund against any liability (including tax liability) properly incurred by it, a delegate or an agent in relation to the Fund. This indemnity is in addition to any indemnity under law. It continues to apply after the Responsible Entity retires or is removed as responsible entity.

REMOVAL AND RETIREMENT OF THE RESPONSIBLE ENTITY

Unitholders do not have a right to remove the Responsible Entity other than the right granted by the Corporations Act. The Responsible Entity may retire in accordance with the Corporations Act.

DURATION OF THE FUND

The Fund will continue until terminated:

- as required by operation of law; or
- by the Responsible Entity on a date specified in a notice given to Unitholders.

On termination of the Fund, the net proceeds from realisation of the property of the Fund will be distributed among the Unitholders in proportion to the number of Units they hold. Any proper costs, charges and expenses unpaid (or to be payable) and any expenses of termination will be deducted from the net proceeds from realisation before they are distributed to Unitholders.

SMALL HOLDINGS

In certain circumstances, the Responsible Entity may sell any Units held by a Unitholder which comprise less than a marketable parcel as provided in the Listing Rules.

ASX LISTING RULES AND THE CORPORATIONS ACT

The Constitution provides for the provisions of the Corporations Act, ASIC relief or the Listing Rules to be incorporated into the Constitution in certain circumstances.

11.2. MANAGEMENT AGREEMENT

The Responsible Entity and the Manager have entered into the Management Agreement which sets out the terms on which the Manager will provide certain investment management and general administrative and listed fund services to the Responsible Entity with respect to the Fund. A summary of the material terms of the Management Agreement is set out below.

SERVICES

The Manager agrees to promote, administer, invest and manage the Fund's portfolio in accordance with the investment strategy and the terms of the Management Agreement. The Fund aims to generate long-term returns in excess of the Benchmark (after fees and before tax) and provide consistent sustainable returns for Unitholders. Returns are not guaranteed.

The other services provided by the Manager under the Management Agreement include, but are not limited to:

- keeping the assets of the Fund under review, including monitoring and reporting to the Responsible Entity;
- giving proper instructions to Link and other entities in the Fund structure, subject to the Responsible Entity accepting recommendations from the Manager where required;
- keeping proper books of account in relation to the assets of the Fund, including recording transactions by or as instructed by the Manager and providing access to such records and providing assistance to the Responsible Entity or other persons as provided for under the Management Agreement, including the auditor of the Fund and any regulator;
- preparing a distributions policy for approval by the Responsible Entity and assisting the Responsible Entity in determining the amount of or declaring any distribution;
- preparing all documents required for the Fund to satisfy its financial reporting obligations under the Corporations Act and the Listing Rules;
- ensuring compliance with the Fund's obligations under the Corporations Act and the Listing Rules;
- preparing ASX announcements and other communications with Unitholders; and
- assisting the Responsible Entity with any fundraising activities, including the preparation of any disclosure document or marketing materials.

The Manager is not permitted to delegate its discretionary powers.

In providing the services, the Manager must comply with all laws applicable to it and the services provided by it under the Management Agreement and act in good faith with the degree of care, diligence and skill a reasonable person in the Manager's position would exercise including by exercising due care and skill in selecting agents that the Manager is permitted to appoint under the terms of the Management Agreement.

POWERS AND DISCRETIONS

For the purpose of carrying out its functions and duties under the Management Agreement, the Manager is responsible for all investment decisions of the Fund and exercises day-to-day control over the Fund's assets.

The Responsible Entity may, at any time, instruct the Manager or vary any decision of the Manager in the performance of the services provided by the Manager under the Management Agreement from that time, in which circumstances the Responsible Entity has the sole responsibility for the consequences of that instruction or variation. However, the Manager may complete any transaction already commenced provided it does not act contrary to any reasonable direction by the Responsible Entity.

RESTRICTIONS ON RESPONSIBLE ENTITY

The Responsible Entity is subject to certain restrictions in acting without a recommendation, direction or request by the Manager unless failure to act would be in breach of its duties as Responsible Entity or any law. Nor can the Responsible Entity give directions to the Manager that are inconsistent with a recommendation by the Manager unless permitted under the Management Agreement and the Manager is not obliged to comply with a direction that is inconsistent with a recommendation, direction or request by the Manager.

EXCLUSIVITY

The Manager may from time to time perform similar management and administration services for itself and other persons and entities to the services performed in respect of the Fund under the Management Agreement. Subject to this, the Manager's appointment is exclusive to the Fund.

FEES

The fees payable to the Manager by the Responsible Entity are set out in Section 7 of this PDS.

The Manager does not have any right to be issued Units in the Fund whether in satisfaction of the amounts due under the Management Agreement or otherwise.

There are no provisions that allow the consideration to be paid or provided to the Manager to be reviewed or varied over the terms of the Management Agreement.

CONFLICTS OF INTEREST

Please refer to section 12.11.

TERM AND TERMINATION RIGHTS

The Manager's appointment is for an initial term of 10 years (**Initial Term**) unless terminated prior to the end of the term:

- (a) by the Responsible Entity in certain circumstances such as the default of the Manager, insolvency of the Manager, the Manager ceasing to carry on business, the Responsible Entity considers it reasonably necessary to do so in order to ensure compliance with its duties and obligations under the relevant law or the Fund terminates in accordance with the Constitution or the Corporations Act; or
- (b) by the Manager giving the Responsible Entity 3 months' written notice or at any time in certain circumstances including breach or insolvency of the Responsible Entity.

If the Management Agreement is not terminated, it will remain in force after the expiry of the Initial Term unless and until it is terminated, and the Manager will continue to provide the investment management services in accordance with the agreed terms.

The Management Agreement contains provisions which are intended to provide Unitholders, as a whole, the right to determine the future of the Fund on the occurrence of certain circumstances relating to the Manager acting as investment manager of the Fund. Under the Management Agreement, the Responsible Entity, in the following circumstances and subject to complying with the law, may convene a meeting of Unitholders' to approve termination of the Management Agreement:

- (a) by special resolution if there has been a Change of Control in relation to the Manager to which the Responsible Entity has not given its prior consent;
- (b) by ordinary resolution if, after the Initial Term, 100 Unitholders or Unitholders holding not less than 5% of Units in the Fund by value request that the Responsible Entity convene a meeting for this purpose; or
- (c) by special resolution, at the Manager's request, if the Responsible Entity does not accept or reject any recommendations in respect of investments (including a request that the Responsible Entity retire as responsible entity) made by the Manager.

The Responsible Entity also has the right to immediately terminate the Management Agreement by written notice if:

- (a) a receiver, receiver and manager, administrator receiver or similar person is appointed with respect to the assets and undertakings of the Manager;
- (b) the Manager goes into liquidation (other than for the purposes of a reconstruction or amalgamation on terms previously approved in writing by the Responsible Entity);
- (c) the Manager is placed under official management or an administrator is appointed to its affairs;
- (d) the Manager ceases to carry on business in relation to its activities as an investment manager;
- (e) the Manager breaches or fails to observe or perform any duty, obligation, representation, warranty or undertaking required under the Management Agreement that in the reasonable opinion of the Responsible Entity materially adversely affects the rights of Unitholders, and fails to rectify the breach or failure to the reasonable satisfaction of the Responsible Entity within a reasonable period specified by the Responsible Entity in a notice to do so;
- (f) the Responsible Entity considers it is required to do so at any time or considers it is reasonably necessary to do so in order to ensure compliance with its duties and obligations under the relevant law and in circumstances required by the relevant law, trust law or any other law or required by any court of competent jurisdiction; or
- (g) if the Fund terminates in accordance with the Constitution or the Corporations Act.

Subject to the Responsible Entity's right to terminate the Management Agreement as summarised above, the Responsible Entity must not terminate the Management Agreement or the appointment of the Manager under the Management Agreement or appoint a new investment manager for the Fund unless the Responsible Entity has received the Manager's consent and a related body corporate of the Manager is appointed as the new investment manager.

The Manager may terminate the Management Agreement at any time giving notice in writing to the Responsible Entity to take effect 3 months after the date of the notice (or such longer period as the Responsible entity agrees. The Manager also has the right to immediately terminate the Management Agreement by written notice if:

- (a) a receiver, receiver and manager, administrator receiver or similar person is appointed with respect to the assets and undertakings of the Responsible Entity;
- (b) the Responsible Entity goes into liquidation (other than for the purposes of a reconstruction or amalgamation on terms previously approved in writing by the Manager);
- (c) the Responsible Entity is placed under official management or an administrator is appointed to its affairs;
- (d) the Responsible Entity ceases to carry on business in relation to its activities as a responsible entity;
- (e) the Responsible Entity breaches or fails to observe or perform any duty, obligation, representation, warranty or undertaking required under the Management Agreement that in the reasonable opinion of the Manager materially adversely affects the rights of Unitholders, and fails to rectify the breach or failure to the reasonable satisfaction of the Manager within a reasonable period specified by the Manager in a notice to do so; or
- (f) required by relevant law, trust law or any other law or required by any court of competent jurisdiction.

The IMA does not provide for any fees to be paid to the Manager for periods beyond the termination date of the Management Agreement, nor any penalty payment to the Manager in the event the Management Agreement is terminated.

In the event the Management Agreement is terminated prior to its scheduled expiry, the Management Agreement contains standard transition protocols pursuant to which the Manager may deal with the portfolio for up to 20 business days from the effective date of termination in order to vest control of the portfolio in the Responsible Entity (or as the Responsible Entity may direct).

INSURANCE

The Manager must maintain appropriate insurance in relation to its business.

MANAGER'S INDEMNITY

The Responsible Entity indemnifies and holds harmless the Manager against any liability, loss, cost, expense or charge reasonably incurred by the Manager arising out of, or in connection with the Manager or any of its officers or agents properly acting under the Management Agreement except to the extent caused by the negligence, fraud, default or dishonesty of the Manager or its officers, employees or agents or the Manager's breach of the Management Agreement or any act or omission of the Manager or any of its officers, employees or agents that cause the Responsible Entity to be liable to Unitholders and for which the Responsible Entity has no right of indemnity from the Fund. The indemnity does not extend to any consequential or indirect costs, charges, expenses or damages. This obligation continues after termination of the Management Agreement.

The Responsible Entity's liability under the Management Agreement is limited to and can be enforced against the Responsible Entity only to the extent to which it can be satisfied out of the property of the Fund except where there is a failure of the Responsible Entity to properly perform its duties otherwise than by reason of an act or omission of the Manager.

RESPONSIBLE ENTITY'S INDEMNITY

The Manager indemnifies and holds harmless the Responsible Entity against any liability, loss, cost, expense or charge (including concerning or relating to any offer document, Unitholder communications or promotional activities) reasonably incurred by the Responsible Entity and the Fund arising out of, or in connection with, any negligence, fraud, default or dishonesty of the Manager or its officers, employees or agents, the Manager's breach of the Management Agreement or any act or omission of the Manager or any of its officers, employees or agents that cause the Responsible Entity to be liable to Unitholders and for which the Responsible Entity has no right of indemnity from the Fund. This obligation continues after the termination of the Management Agreement.

CHANGE OF CONTROL

What happens in the event there is a Change of Control of the Manager is discussed earlier in this section 11.2. There are no provisions of the Management Agreement that are triggered by a change of control of the Responsible Entity.

NO PRE-EMPTIVE RIGHTS

The Manager does not have any option, pre-emptive right, right of first refusal or other right to acquire any of the Fund's assets.

AMENDMENT

The Management Agreement may be amended with the agreement of the Responsible Entity and the Manager. However, ASX will require the Responsible Entity to give an undertaking that it will only make material changes to the Management Agreement if the Responsible Entity has obtained Unitholder approval to these material changes.

11.3. ADMINISTRATION AGREEMENT

The Responsible Entity has appointed Link as administrator for the Fund. Link provides back and middle office support to the Fund as well as fund administration services including post-trade compliance, performance attribution, client reporting, trade settlement notification, reconciliations, valuations, corporate actions and proxy voting, fund accounting, NAV per Unit and net tangible assets calculations, distributable income calculations, Fund audit assistance and statutory reporting on behalf of the Fund.

11.4. CUSTODY AGREEMENT

The Responsible Entity has appointed Link as custodian for the Fund. The agreement

provides for Link to hold the assets of the Fund and sets out requirements relating to the provision of proper instructions, conducting reconciliations and the provision of reports.

11.5. REGISTRY AGREEMENT

The Responsible Entity has appointed Automic under a Registry Services Agreement to provide registry functions with respect to the Fund.

12. ADDITIONAL INFORMATION

12.1. CURRENT CAPITAL STRUCTURE

As at the date of this PDS the capital structure of the Fund is as follows:

| Class of Units | Number of Units on issue |
|--------------------------|--------------------------|
| Ordinary (Ophir HCF) | 9,607,185.07 |
| Ordinary (Ophir HCF - A) | 252,907,504.03 |
| Ordinary (Ophir HCF - C) | 7,716,227.18 |

The number of Units on issue shown above has been rounded to two decimal places. Prior to Listing, the Existing Units shown above will be redeemed and Replacement Units will be issued in their place to Eligible Unitholders. Only a single class of Units will be on issue at the time of Listing and only whole Units will be on issue (i.e. no fractions will exist). The compulsory redemption of Existing Units and reissue of Replacement Units is due to occur on 14 December 2018. The value of each Eligible Unitholder's Replacement Units will be the same as the value of their Existing Units, but the Issue Price of the Replacement Units may differ from the unit price of the Existing Units.

As at the date of this PDS, the following Unitholders held 5% or more of the Units on issue in the Fund:

| Unitholder | Number of Units as at date of PDS | % of Units held as at date of PDS | Number of Units held at Listing | % of Units held at Listing |
|--|-----------------------------------|-----------------------------------|---------------------------------|----------------------------|
| Cambooya Pty Ltd | 33,095,835.77 | 12.21 | 24,428,274 | 12.21 |
| The Trust Company (PTAL) Limited o/a Ausmaq | 26,551,916.78 | 10.91 | 21,812,482 | 10.91 |
| Victorial Legal Services Board – Public Purpose Fund | 15,156,821.51 | 5.56 | 11,135,548 | 5.56 |

12.2. CAPITAL STRUCTURE FOLLOWING THE ISSUE

The capital structure following completion of the redemption of the Existing Units and issue of Replacement Units in the Fund will be as follows:

| Class of Units | Number of Units on issue |
|----------------|--------------------------|
| Ordinary | 200,000,000 |

12.3. FREE FLOAT

As there will be no ASX escrow limitations applying to the Units and all Units are held by non-affiliated security holders for the purposes of the Listing Rules, all of the Units in the Fund will be freely tradeable from Listing.

12.4. ISSUE OF ADDITIONAL UNITS

The Responsible Entity is permitted, subject to the Constitution, the Corporations Act, the Listing Rules and applicable laws, to issue further Units after the Fund is admitted to the official list of ASX. The Fund currently has a DRP in place for the Existing Units. If a Unitholder whose registered address is in Australia or New Zealand is participating in the DRP for their Existing Units, their Replacement Units will also participate in the DRP. Unitholders may contact Automic if they wish to commence or cease their DRP participation. Please see section 12.5 and the Annexure for further details of the DRP.

Other than in respect of the DRP, the Responsible Entity will only issue further Units after the Fund is listed if it determines (in consultation with the Manager) such issues are in the best interests of Unitholders. This may take the form of a rights issue, placement or public offer of Units.

12.5. DISTRIBUTION REINVESTMENT PLAN

The Responsible Entity has established a DRP, which will give Unitholders the right to receive additional Units in substitution for cash distributions declared or authorised for payment by the Responsible Entity in respect of all or part of the Units of which the Unitholders are registered. Eligible Unitholders who have a registered address in Australia or New Zealand who currently reinvest distributions on their Existing Units will automatically become participants in the DRP. Unitholder participation in the DRP is optional.

Unitholders electing to have their distribution paid in cash must nominate a bank account held in their own name with an Australian domiciled bank. If a Unitholder who has a registered address in Australia or New Zealand does not provide a bank account by the day following the record date for the relevant distribution, they will be deemed to have elected to reinvest their distribution under the DRP. Cash distributions will only be paid in Australian dollars to such an account. A Unitholder may nominate some or all of their Units to participate in the DRP.

If a Unitholder elects to participate in the DRP and this is accepted by the Responsible Entity, when the distribution is reinvested, Unitholders will be allocated Units in accordance with the terms and conditions set out in the DRP rules and this PDS. The DRP will be offered to Unitholders on the following basis:

- At the time the price of the Units allotted pursuant to the DRP is set, the Responsible Entity will not have any information that is not publicly available that would, or would be likely to, have a material adverse effect on the realisable price of the Units if the information were publicly available.
- The right to acquire, or require the Responsible Entity to issue, Units as part of the DRP will be offered to all Unitholders of the Fund who hold Units in the same class, other than those who have a registered address outside Australia and New Zealand and whom the Responsible Entity has excluded to avoid the risk of breaching the laws of the relevant overseas country.
- The price at which each Unit is issued under the DRP is the Net Asset Value of a Unit at the time and date determined by the Responsible Entity.
- All Units under the DRP will be issued on the date which the distribution is paid by the Responsible Entity.
- No brokerage, commission or other transaction costs will be payable by participating Unitholders on Units acquired under the DRP.
- Every Unitholder to whom the right is offered will be given a reasonable opportunity to accept it.
- Units will be issued or transferred on the terms disclosed, and will be subject to the same rights as Units issued to all Unitholders of the same class.
- The Responsible Entity reserves the right to vary, suspend or terminate the DRP at any time.
- You have the right to receive from the Responsible Entity, on request and free of charge, a copy of:
 - o the most recent annual report of the Fund;
 - o the most recent financial statements of the Fund and, if those statements are not audited or reviewed by an auditor, a statement to that effect;
 - o the auditor's report on those statements; and
 - o the Constitution of the Fund and any amendments to it.

You can obtain a copy of any of these documents by electronic means on the website <http://www.ophiram.com.au/ophir-high-conviction-fund>. You can also request a copy of any of these documents by contacting the Responsible Entity or the Manager.

A copy of the DRP rules is attached as an Annexure to this PDS.

12.6. ASX WAIVERS AND CONFIRMATIONS

ASX Listing Rule 15.16 sets a maximum fixed term of five years for an investment management agreement. The Responsible Entity has applied for, and received in principle approval of, a waiver of ASX Listing Rule 15.16 to allow for the initial fixed term of the Management Agreement to be 10 years.

12.7. ASX LISTING

No later than seven days after the date of this PDS, the Responsible Entity will apply to ASX for admission of the Fund to the official list of ASX for its Units to be granted official quotation by ASX. The Responsible Entity is not currently seeking a listing of the Fund's Units on any stock exchange other than ASX.

The fact that ASX may admit the Fund to the official list of ASX and grant official quotation of the Units is not to be taken in any way as an indication of the merits of the Fund or the Units offered for subscription in accordance with the issue. ASX takes no responsibility for the contents of this PDS. Normal settlement trading in the Units, if quotation is granted, will commence as soon as practicable after the issue of holding statements to successful applicants.

It is the responsibility of Unitholders to determine their allocation prior to trading in the Units. Unitholders who sell Units before they receive confirmation of their allotment will do so at their own risk.

12.8. CHESS AND ISSUER SPONSORED HOLDINGS

The Responsible Entity will make an application for the Fund to participate in CHESS and will comply with the ASX Listing Rules and the ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on ASX under which transfers are effected in an electronic form.

When the Units become approved financial products (as defined in the ASX Settlement Operating Rules), holdings will be registered in one of two subregisters, being an electronic CHESS subregister or an issuer sponsored subregister. The Units of a Unitholder who is a participant in CHESS or a Unitholder sponsored by a participant in CHESS will be registered on the CHESS subregister. All other Units will be registered on the issuer sponsored subregister.

Following completion of the Issue, Unitholders will be sent a holding statement that sets out the number of Units that have been allocated to them. This statement will also provide details of a Unitholder's Holder Identification Number (**HIN**) for CHESS holders or, where applicable, the Unitholder's Reference Number (**SRN**) of issuer sponsored holders. Unitholders will subsequently receive statements showing any changes to their holding. Certificates will not be issued.

Unitholders will receive subsequent statements during the first week of the following month if there has been a change to their holding on the register and as otherwise required under the ASX Listing Rules and the Corporations Act.

Additional statements may be requested at any other time either directly through the Unitholder's sponsoring broker in the case of a holding on the CHESS subregister or through Automic in the case of a holding on the issuer sponsored subregister. The Fund and Automic may charge a fee for these additional issuer sponsored statements.

12.9. OVERSEAS DISTRIBUTION

The Responsible Entity has determined that restrictions in certain foreign countries make it impractical or unlawful to issue Units under this PDS to Unitholders in those countries. Save as set out below, no action has been taken to register or qualify the issue of Units under this PDS, or to otherwise permit the issue of Units, in any jurisdiction outside of Australia and New Zealand (**Foreign Jurisdiction**).

This PDS does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in any jurisdiction. The distribution of this PDS in jurisdictions outside Australia may be restricted by law. This PDS does not constitute an offer or issue of Units in any place which, or to whom, it would not be lawful to make such an offer or issue. Persons into whose possession this document comes should inform themselves about and observe any restrictions on acquisition or distribution of the PDS. Any failure to comply with these restrictions may constitute a violation of securities laws.

Unitholders who currently hold Units on behalf of a beneficial owner resident in a Foreign Jurisdiction should not forward this PDS to anyone in a Foreign Jurisdiction, as this may constitute a breach of foreign securities laws.

In order to ensure that Units are not issued in circumstances where foreign securities laws could be breached, when the Existing Units are redeemed, Replacement Units will not be issued to Unitholders in certain Foreign Jurisdictions. Foreign Ineligible Unitholders will instead receive cash consideration equal to the value of the Replacement Units they would have received if they were not in the relevant Foreign Jurisdiction.

ASIC has granted relief exempting the Responsible Entity from its obligation under section 601FC(1)(d) of the Corporations Act to treat Unitholders who hold Units of the same class equally so that the Foreign Ineligible Unitholders can be dealt with in this manner.

INFORMATION FOR NEW ZEALAND INVESTORS

This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and the regulations made under that Act set out how the offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation

of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

The dispute resolution process described in this offer document is available only in Australia and is not available in New Zealand.

12.10. ENQUIRIES AND COMPLAINTS

The Responsible Entity has established procedures for dealing with complaints. If an investor has a complaint, they can contact the Responsible Entity or the Manager during business hours.

The Responsible Entity will use reasonable endeavours to deal with and resolve the complaint within a reasonable time but in any case, no later than 45 days after receipt of the complaint.

If an investor is not satisfied with the outcome, the complaint can be referred to AFCA). You can contact AFCA on 1800 931 678, or by writing to:

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001
Email: info@afca.org.au
Website: www.afca.org.au

12.11. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST

There are no existing or proposed agreements or arrangements in which the Responsible Entity was, or is to be, a party, and in which any related party of the Responsible Entity had or will have a direct or indirect material interest.

All agreements for the provision of services to the Responsible Entity have been entered into on terms that the Responsible Entity reasonably considers are arm's length terms.

The Responsible Entity and the Manager may be subject to conflicts of interest when performing their duties in relation to the Fund. Both the Responsible Entity and the Manager have policies and procedures in place to appropriately manage these conflicts of interest.

The Manager may from time to time perform similar investment and management services for itself and other persons similar to the services performed for the Fund under the Management Agreement, provided the Manager does not derogate its responsibilities specified in the Management Agreement. The Manager has policies and procedures in place to ensure it fulfils its obligations to the Responsible Entity under the Management Agreement, including keeping proper records and accounts for the Fund and maintaining the confidentiality of information acquired by the Manager. Any block-booked transactions are properly, fairly and efficiently allocated and completed trades are allocated at the end of each business day's trade in proportion to the size of the original order at the average price received for the business day.

Although permitted under the Management Agreement, the Manager does not engage any related parties to provide ancillary services to the Fund. Nor will the Manager acquire assets from, or dispose of assets to, itself or any associate of the Manager.

No Director or proposed Director of the Responsible Entity holds at the date of this PDS, or held at any time during the last two years before the date of lodgement of this PDS with ASIC, any interest in:

- the formation or promotion of the Fund; or
- Units in the Fund.

No amounts have been paid or agreed to be paid by any person and no benefits have been given or agreed to be given by any person:

- to a Director or proposed Director of the Responsible Entity to induce him or her to become, or to qualify as, a Director; or
- for services provided by a Director or proposed Director in connection with the formation or promotion of the Fund or in connection with the issue of Units.

12.12. INTERESTS OF EXPERTS

No expert nor any firm in which such expert is a partner or employee has any interest in the promotion of the Fund. Costs associated with Listing will be paid for by the Manager out of its own resources.

12.13. NO LEGAL PROCEEDINGS

The Responsible Entity is not engaged in any litigation at the date of this PDS on behalf of the Fund, and as far as the Responsible Entity is aware, no litigation involving the Fund is pending or threatened.

12.14. ANTI-MONEY LAUNDERING AND COUNTER TERRORISM FINANCING

The AML/CTF Act and other applicable anti-money laundering and counter terrorism laws, regulations, rules and policies which

apply to the Responsible Entity (**AML Requirements**), regulate financial services and transactions in a way that is designed to detect and prevent money laundering and terrorism financing. The AML/CTF Act is enforced by the Australian Transaction Reports and Analysis Centre (**AUSTRAC**). In order to comply with the AML Requirements, the Responsible Entity may be required to, amongst other things:

- verify a prospective Unitholder's identity and the source of their application monies before providing services to them, and to re-identify them if it considers it necessary to do so; and
- where a prospective Unitholder supplies documentation relating to the verification of their identity, keep a record of this documentation for 7 years.

The Responsible Entity reserves the right to request such information as is necessary to verify the identity of a prospective Unitholder and the source of the payment. In the event of delay or failure by the prospective Unitholder to produce this information, the Responsible Entity may refuse to accept an application and the application monies relating to such application if necessary to comply with the AML Requirements applicable to it. Neither the Responsible Entity nor its delegates shall be liable to the Unitholder for any loss suffered by the Unitholder as a result of the rejection or delay of any subscription.

The Responsible Entity has implemented a number of measures and controls to ensure it complies with its obligations under the AML Requirements, including carefully identifying and monitoring Unitholders. As a result of the implementation of these measures and controls:

- transactions may be delayed, blocked, frozen or refused where the Responsible Entity has reasonable grounds to believe that the transaction breaches the law or sanctions of Australia or any other country, including the AML Requirements;
- where transactions are delayed, blocked, frozen or refused, the Responsible Entity is not liable for any loss Unitholders suffer (including consequential loss) caused by reason of any action taken or not taken by it as contemplated above, or as a result of its compliance with the AML Requirements as they apply to the Fund; and
- the Responsible Entity may from time to time require additional information from Unitholders to assist it in this process.

The Responsible Entity has certain reporting obligations under the AML Requirements and is prevented from informing Unitholders that any such reporting has taken place. Where required by law, an entity may disclose the information gathered to regulatory or law enforcement agencies, including AUSTRAC. The Responsible Entity is not liable for any loss a Unitholder may suffer as a result of its compliance with the AML Requirements.

12.15. PRIVACY

The Responsible Entity may collect personal information from Unitholders when they contact the Responsible Entity and from any other relevant forms to be able to administer your investment and comply with any relevant laws, including the Privacy Act, and provide information to relevant government agencies in accordance with those laws. If you do not provide the Responsible Entity with relevant personal information, the Responsible Entity may not be able to properly administer your investment.

Privacy laws apply to the handling of personal information and the Responsible Entity will collect, use and disclose your personal information in accordance with its privacy policy, which includes details about the following matters:

- the kinds of personal information the Responsible Entity collects and holds;
- how the Responsible Entity collects and holds personal information;
- the purposes for which the Responsible Entity collects, holds, uses and discloses personal information;
- how Unitholders may access personal information that the Responsible Entity holds about them and seek correction of such information (note that exceptions apply in some circumstances);
- how Unitholders may complain about a breach of the Australian Privacy Principles (**APPs**), or a registered APP code (if any) that binds the Responsible Entity, and how the Responsible Entity will deal with such a complaint; and
- whether the Responsible Entity is likely to disclose personal information to overseas recipients and, if so, the countries in which such recipients are likely to be located if it is practicable for the Responsible Entity to specify those countries.

The privacy policy of the Responsible Entity is publicly available at its website at www.perpetual.com.au or Unitholders can obtain a copy free of charge by contacting the Responsible Entity on (02) 9229 9000.

The Manager may also collect, use and disclose Unitholders' personal information, including personal information provided to the Manager by the Responsible Entity, for investor relations purposes in accordance with its privacy policy. A copy of the Manager's privacy policy is publicly available at <http://www.ophiram.com.au/privacy-policy>.

12.16. CONSENTS

Each party listed in the following table:

- does not issue the Units or make any offer in connection thereto;

- other than as specified in this PDS, does not make, or purport to make, any statement that is included in this PDS, or a statement on which a statement made in this PDS is based, other than as specified in this Section 12.16;
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this PDS other than a reference to its name and a statement included in this PDS with the consent of that party as specified below; and
- has given and has not, before lodgement of this PDS with ASIC, withdrawn its written consent to:
 - o be named in the PDS in the form and context in which they are named;
 - o the inclusion of their respective reports or statements noted next to their names and the references to those reports or statements in the form and context in which they are included in this PDS; and
 - o the inclusion of other statements in this PDS which are based on or are referable to statements made in those reports or statements, or which are based or referable to other statements made by those parties in the form and context in which they are included.

| Person | Named as | Report or Statement |
|---------------------------------|--|---|
| Ophir Asset Management Pty Ltd | Manager | The letter to investors on page 7 Every statement made by the Manager in this PDS or said in this PDS to be based on statements by the Manager |
| Ernst & Young | Tax adviser | The “About Tax” section included in Section 10 and references in Section 1 and Section 6 to the tax consequences and tax risks for investors. |
| Ernst & Young | Auditor of the Fund for its financial statements in respect of the 2017 and 2018 financial years | None |
| Link Fund Solutions Pty Limited | Custodian and Administrator | Not applicable |
| Nexia Sydney Partnership | Auditor of the Fund for its financial statements in respect of the 2016 financial year | Not applicable |
| Automic Pty Ltd | Registry service provider | Not applicable |
| Maddocks | Legal adviser | Not applicable |

Part 7.9 of the Corporations Act imposes a liability regime on the Responsible Entity (as the issuer of the Units), the Directors of the Responsible Entity, persons named in this PDS with their consent as having made a statement in this PDS and persons involved in a contravention in relation to this PDS with regard to misleading or deceptive statements made in the PDS. Although the Responsible Entity bears primary responsibility for this PDS, other parties involved in the preparation of this PDS can also be responsible for certain statements made in it.

In light of the above, each of the parties referred to above, to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this PDS other than the reference to its name and any statement or report included in this PDS with the consent of that party as described above.

12.17. DIRECTORS' STATEMENT

Other than as set out in this PDS, the Directors report that after due enquiries by them there have not been any circumstances that have arisen or that have materially affected or will materially affect the assets and liabilities, financial position, profits or losses or prospects of the Fund, other than as disclosed in this PDS.

Each Director has authorised the issue of this PDS and has consented to the lodgement of this PDS with ASIC and has not withdrawn that consent.

12.18. WHERE TO FIND OUT MORE

If you have any questions, please contact:

Ophir Asset Management Pty Ltd
T: (02) 8188 0397
E: ophir@ophiram.com

13. GLOSSARY

The terms in the column headed 'Term' have the meanings given to them in the column headed 'Definition' unless otherwise stated in this PDS or the context otherwise requires. The singular may be taken to include the plural and vice versa.

| Term | Definition |
|-----------------------------|--|
| ABN | Australian Business Number |
| AFCA | Australian Financial Complaints Authority |
| AFSL | Australian financial services licence |
| AMIT | Attribution managed investment trust |
| AML/CTF Act | Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) |
| AML Requirements | AML/CTF Act and other applicable anti-money laundering and counter terrorism laws, regulations, rules and policies which apply to the Responsible Entity |
| APP | Australian Privacy Principles |
| ASIC | Australian Securities and Investments Commission |
| ASX | ASX Limited (ABN 98 008 624 691), the Australian Securities Exchange, or the market operated by it, as the context requires |
| ASX Guidelines | The corporate governance principles and recommendations of the ASX Corporate Governance Council as at the date of this PDS |
| ASX Listing Rules | The official Listing Rules of ASX as amended or waived and applicable to the Fund from time to time. |
| ATO | Australian Taxation Office |
| Auditor | Ernst & Young |
| AUSTRAC | The Australian Transaction Reports and Analysis Centre |
| Automic | Automic Pty Ltd (ABN 27 152 260 814), being the registry service provider to the Fund |
| Benchmark | The S&P/ASX Mid-Small Index, being the composite benchmark of 50% of the S&P/ASX MidCap 50 Accumulation Index and 50% of the S&P/ASX Small Ordinaries Accumulation Index |
| Board | The board of directors of the Responsible Entity |
| CGT | Capital gains tax |
| Change of Control | Where a person obtains 20% or more voting power in Ophir in circumstances where they did not have such voting power as at the date of the Management Agreement and this results in them having the capacity to determine the outcome of decisions about Ophir's financial and operating policies |
| CHESS | The clearing house electronic sub-register system as defined in the Operating Rules of ASX Settlement Pty Limited |
| Code of Conduct | The code of conduct adopted by the Responsible Entity as set out in Section 8.2 |
| Compliance Committee | The compliance committee of the Responsible Entity as set out in Section 8.2 |
| Constitution | The constitution for the Fund dated 23 July 2015, as amended from time to time |
| Corporations Act | The Corporations Act 2001 (Cth) and the regulations made under it |
| CRS | Common Reporting Standard |
| Director | A director of the Responsible Entity |
| Distribution | A distribution (of either income and/or capital/corpus, as the context requires) made or to be made by the Fund |
| Distribution Policy | The Responsible Entity's policy for Distributions |
| DRP | Distribution reinvestment plan |

| | |
|---------------------------------------|--|
| Eligible Unitholders | Unitholders at the date of this PDS who are resident in Australia, New Zealand and certain other jurisdictions where the Responsible Entity and the Manager have agreed to issue Units under this PDS. |
| Existing Units | The Units on issue as at the date of this PDS |
| Exposure Period | The seven day period after the date of this PDS with ASIC, which ASIC may extend by a further seven days |
| FATCA | Foreign Account Tax Compliance Act |
| Financial Year | Financial year of the Fund from 1 July to 30 June (inclusive) |
| Fund | The Ophir High Conviction Fund (ARSN 620 920 201) |
| GST | The meaning given in section 195-1 of the A New Tax System (Goods and Services Tax) Act 1999 (Cth) |
| Ineligible Foreign Unitholders | Unitholders at the date of this PDS who are resident in jurisdictions outside Australia and New Zealand where it is illegal or impractical to issue Replacement Units. |
| Initial Term | The initial term of 10 years under the Management Agreement |
| Issue Price | The price at which Units are issued by the Responsible Entity under this PDS |
| Link | Link Fund Solutions Pty Limited (ABN 44 114 914 215, Corporate Authorised Representative 001253458 of AFSL No. 295142), being the custodian and administrator to the Fund |
| Listing | Listing of the Fund on ASX |
| Listing Rules | The official listing rules of ASX from time to time as modified by any express written confirmation, waiver or exemption given by ASX |
| Management Agreement | The management agreement between the Responsible Entity and the Manager dated on or about 27 November 2018 |
| Manager | Ophir Asset Management Pty Ltd (ABN 88 156 146 717, AFSL 420082) |
| NAV or Net Asset Value | The total assets of the Fund less the total liabilities of the Fund as at the relevant time |
| Official Quotation | The admission of the Fund to the official list of the ASX and the quotation of Units in the Fund on the ASX Officially Quoted has a similar meaning |
| Ophir | The Manager |
| PDS | This product disclosure statement dated 29 November 2018 |
| Perpetual | Perpetual Limited ACN 000 431 827 (ASX:PPT) |
| Privacy Act | The Privacy Act 1988 (Cth) |
| Replacement Units | The Units to be issued to Unitholders in consideration for the redemption of their Existing Units |
| Responsible Entity | The responsible entity of the Fund from time to time, being, at the date of this PDS, The Trust Company (RE Services) Limited (ACN 003 278 831, AFSL 235150) |
| RITC | Reduced Input Tax Credit |
| TFN | Tax file number |
| Unit | A unit in the Fund |
| Unitholder | A registered holder of one or more Units |

DIRECTORY

Responsible Entity

The Trust Company (RE Services) Limited
(ACN 003 278 831, AFSL 235150)

Registry

Automic Pty Ltd
(ABN 27 152 260 814)

Manager

Ophir Asset Management Pty Ltd
(ABN 88 156 146 717, AFSL 420082)

Administrator and Custodian

Link Fund Solutions Pty Limited
(ABN 44 114 914 215, Corporate Authorised Representative
001253458 of AFSL No. 295142)

Auditor and tax adviser

Ernst & Young

Australian legal adviser

Maddocks

ANNEXURE – DRP RULES

Terms and Conditions of the Distribution Reinvestment Plan

1. DEFINED TERMS

1.1 In this DRP, the following words and expressions have the meanings indicated unless the contrary intention appears.

Application Form means a form (as approved by the Responsible Entity) by which:

- (a) a Unitholder may apply to join the DRP; or
- (b) a Participant may apply to vary the level of, or withdraw from, participation in the DRP.

ASX means ASX Limited or the securities market conducted by it, as the context requires.

Business Day has the meaning given to it in the ASX Listing Rules.

Cash Distribution means a Distribution payable to a Participant in respect of Participating Units wholly in cash and, in the case of a Distribution payable only partly in cash, that part of the Distribution which is payable in cash.

Closing Date means, in relation to a Distribution, 5.00 pm (Sydney time) on the first Business Day after the Record Date for that Distribution.

Constitution means the constitution of the Fund, as amended from time to time.

Distribution means a distribution declared or otherwise to be paid in respect of Units by the Responsible Entity.

Distribution Payment Date means the date on which a Distribution is paid by the Responsible Entity.

DRP means the Fund Distribution Reinvestment Plan, as amended, modified or substituted from time to time.

DRP Statement means the statement referred to in clause 9.

Electronic Election means an electronic DRP election (as approved by the Responsible Entity) by which:

- (a) a Unitholder may apply to join the DRP; or
- (b) a Participant may apply to vary the level of, or withdraw from, participation in the DRP.

Eligible Unitholder has the meaning given in clause 3.1.

Full Participant means a Participant who, for the time being, participates in the DRP in respect of all the Units of which the Participant is registered as the holder, including Units subsequently acquired by the Unitholder whether under the DRP or otherwise.

Fund means Ophir High Conviction Fund ARSN 620 920 201.

Partial Participant means a Participant who, for the time being, participates in the DRP in respect of some, but not all, of the Units of which the Participant is registered as the Unitholder.

Manager means Ophir Asset Management ABN 88 156 146 717.

Non-Participating Units means any Units of which a Participant is registered as the Unitholder which are not subject to the DRP.

Participant means an Eligible Unitholder who is accepted as a participant in the DRP.

Participating Distribution means in respect of a Participant, the total Cash Distribution payable to that Participant reduced by any amount, including withholding tax, where appropriate, which the Fund is required to or may deduct for any reason from the Cash Distribution payable to that Participant.

Participating Units means Units of which a Participant is registered as the Unitholder that are subject to the DRP.

Record Date means, in relation to a Distribution, the time and date determined by the Responsible Entity for the purpose of determining entitlements to that Distribution.

Responsible Entity means The Trust Company (RE Services) Limited ABN 45 003 278 831.

Unit means a fully paid ordinary unit in the Fund.

Unitholder means a person registered as the holder of one or more Units.

Unit Price means, in relation to a Distribution, the net asset value of a Unit as determined in accordance with the Constitution on the Record Date.

Unit Registrar means Automic Pty Ltd ABN 27 152 260 814

Terms and Conditions means the terms and conditions of the DRP, as amended, modified or substituted from time to time.

- 1.2 Words importing gender include the masculine, feminine and neuter genders and the singular includes the plural and vice versa.
- 1.3 Headings are included for convenience only and will not affect the construction or interpretation of the DRP.

2. THE DRP

- 2.1 The DRP is a method by which Eligible Unitholders may elect to receive additional Units in substitution for Cash Distributions declared or authorised for payment by the Responsible Entity in respect of some or all of the Units which they hold.
- 2.2 The Responsible Entity intends to give each Eligible Unitholder a reasonable opportunity to participate in the DRP. Subject to clause 2.3, participation by Unitholders in the DRP is optional and is not transferable.
- 2.3 Eligible Unitholders who have not provided Australian bank account details (in their own name) for the payment of Cash Distributions by 5.00pm (Sydney time) on the Closing Date for a particular Distribution will be deemed to have elected to reinvest all their Cash Distribution in additional Units in the Fund in accordance with the DRP for that Distribution and any future Distributions.
- 2.4 Subject to these Terms and Conditions, the DRP will be offered to Eligible Unitholders on the following basis:
 - (a) at the time the Unit Price of the Units to be allotted pursuant to the DRP is set, the Responsible Entity will not have any information that is not publicly available that would, or would be likely to, have a material adverse effect on the realisable price of the Units if the information were publicly available; and
 - (b) Units will be issued on the terms disclosed to Participants, and will be subject to the same rights as Units issued to all Participants (who hold Units of the same class).

3. ELIGIBILITY

- 3.1 Subject to clauses 3.2 and 3.3, all Unitholders whose registered address is in Australia or New Zealand (Eligible Unitholders) are eligible to participate in the DRP.
- 3.2 Subject to clause 2.3, a Unitholder will not be able to participate in the DRP until receipt by the Responsible Entity from the Unitholder of an Application Form or Electronic Election.
- 3.3 The Responsible Entity may in its absolute discretion accept or refuse to accept in whole or in part any Application Form or Electronic Election. Without limiting the generality of the above, the Responsible Entity may from time to time determine that the right to participate in the DRP is not available to Unitholders:
 - (a) who have registered addresses in a country or place where participation in the DRP would or may be unlawful or if any other formality under the laws of that country or place cannot reasonably or practicably be complied with by the Responsible Entity at a cost that is acceptable to the Responsible Entity; or
 - (b) whose participation in the DRP might lead to foreign persons or associates of foreign persons acquiring a substantial interest or an aggregate substantial interest in the Fund in breach of the Foreign Acquisitions and Takeovers Act 1975 (Cth).
- 3.4 If the Responsible Entity refuses to accept an Application Form or Electronic Election, the Responsible Entity must notify the relevant Unitholder of the refusal as soon as practical afterwards. The Responsible Entity will not be obliged to state reasons for the refusal to accept an Application Form or Electronic Election.
- 3.5 A Unitholder is solely responsible for obtaining any government or regulatory approvals and consents necessary for that Unitholder to participate legally in the DRP.

4. LEVELS OF PARTICIPATION

- 4.1 Unitholders may, in their Application Form or Electronic Election, nominate one of the following levels of participation:
 - (a) Full participation
A Unitholder may nominate all Units registered in the name of that Unitholder, including Units subsequently acquired by the Unitholder whether under the DRP or otherwise, to participate in the DRP. If a Unitholder's Application Form or Electronic Election is accepted, that Unitholder will be admitted as a Full Participant.
 - (b) Partial participation
A Unitholder may nominate a specific number of Units held in the name of that Unitholder to participate in the DRP. If the Responsible Entity accepts a Unitholder's Application Form or Electronic Election, that Unitholder will be admitted as a Partial Participant in respect of the nominated Units only.

- 4.2 Unitholders will on acceptance of their Application Form or Electronic Election by the Responsible Entity participate in the DRP only to the extent they have elected to participate under clause 4.1.
- 4.3 If the Responsible Entity receives a completed Application Form or Electronic Election from a Unitholder where the level of participation is not clearly specified, the DRP election will be deemed to be a request that all Units held by the Unitholder participate in the DRP.
- 4.4 A Participant may at any time vary the level of participation (but not the Terms and Conditions of the participation) in the DRP by completing and returning to the Unit Registrar a further Application Form or making a further Electronic Election specifying the variation to be made in the level of participation. The variation in the level of participation will take effect from the date of receipt of that further Application Form or further Electronic Election.

5. APPLICATION FORM

- 5.1 An Application Form must be in a form approved by the Responsible Entity or in a form otherwise acceptable to the Responsible Entity.
- 5.2 If an Application Form is completed by an individual or a body corporate under a power of attorney, the power of attorney under which it is signed or a certified copy of that power must accompany the Application Form unless the power of attorney has previously been noted by the Responsible Entity.
- 5.3 A completed Application Form received by the Unit Registrar to participate in the DRP or to vary the level of participation or to terminate participation in the DRP is not effective in respect of a Distribution unless it is received prior to the Closing Date for that Distribution.
- 5.4 Formal notice by way of an Application Form remains in force until:
 - (a) the Participant formally varies or terminates the Participant's participation in the DRP in accordance with these Terms and Conditions; or
 - (b) the Responsible Entity terminates the DRP,
 - (c) whichever occurs earlier.

6. ELECTRONIC ELECTIONS

- 6.1 An Electronic Election may be lodged electronically in the manner advised by the Unit Registrar from time to time.
- 6.2 An Electronic Election lodged with the Unit Registrar to participate in the DRP or to vary the level of participation or to terminate participation in the DRP is not effective in respect of a Distribution unless it is received prior to the Closing Date for that Distribution.
- 6.3 An Electronic Election will:
 - (a) not be taken to have been lodged unless it is validly completed;
 - (b) be taken to be signed by the relevant Unitholder or, if applicable, joint holders of Units; and
 - (c) be taken to be received by the Unit Registrar at the time of its electronic lodgement.

7. OPERATION OF THE DRP

- 7.1 The Responsible Entity must apply the Participating Distribution on the Participant's behalf in subscribing for additional Units in accordance with clause 7.3.
- 7.2 The price at which each Unit is issued under the DRP in respect of a Participating Distribution is the Unit Price.
- 7.3 The Responsible Entity will establish and maintain a DRP account for each unitholding account of each Participant. At the time of each Distribution Payment Date, the Responsible Entity, will for each Participant:
 - (a) determine the Participating Distribution payable in respect of their Participating Units which may be reinvested under the DRP;
 - (b) credit the amount in paragraph 7.3(a) above to the Participant's DRP account;
 - (c) determine the maximum whole number of Units, priced in accordance with clause 7.2, which can be acquired under this DRP by using the amount in the Participant's DRP account (if a fraction results from the application of this clause, the result will be rounded down to the nearest whole number); and
 - (d) on behalf of and in the name of the Participant, subscribe for or arrange the purchase and transfer of the number of Units determined under paragraph 7.3(c) above and debit the aggregate price of those Units against the balance in the Participant's DRP account.

8. UNITS ISSUED UNDER THE DRP

- 8.1 Subject to the Constitution, all Units issued under the DRP:
- (a) will be issued on or about the time of the Distribution Payment Date to which the Distribution relates; and
 - (b) rank equally in every respect with the existing issued Units.
- 8.2 The Responsible Entity will make the application and take all steps necessary for official quotation of all new Units issued under the DRP on the ASX immediately after they are issued.

9. DRP STATEMENTS AND AVAILABILITY OF DOCUMENTS

- 9.1 The Responsible Entity will send to each Participant as soon as practical following each Distribution Payment Date a DRP Statement detailing the following information:
- (a) the number of Participating Units for that Participant as at the relevant Closing Date;
 - (b) the amount of the Distribution and Cash Distribution payable on each Participating Unit;
 - (c) if applicable, the amount of withholding tax and any other amount which has been deducted from the Cash Distribution payable on the Participating Units;
 - (d) the total available Participating Distribution payable on the Participating Units;
 - (e) the number of Units to be allotted to the Participant under the DRP and the date of issue of those Units;
 - (f) the Unit Price of each Unit to be allotted to the Participant under the DRP;
 - (g) the amount and extent to which the Distribution is taxable (if known at the time);
 - (h) subject to any unit transactions in the intervening period, the total number of Participating Units of the Participant that will be participating in the DRP after the Distribution; and
 - (i) such other information as the Responsible Entity may at any time and from time to time determine.
- 9.2 Unitholders have the right to receive from the Responsible Entity, on request and free of charge, a copy of:
- (a) the most recent annual report of the Fund;
 - (b) the most recent financial statements of the Fund and, if those statements are not audited or reviewed by an auditor, a statement to that effect;
 - (c) the auditor's report on those statements; and
 - (d) the Constitution of the Fund and any amendments to it.
- 9.3 These documents are also accessible through the website <http://www.ophiram.com.au/ophir-high-conviction-fund>. You can also request a copy of any of these documents by contacting the Responsible Entity or the Manager.

10. COSTS TO PARTICIPATING UNITHOLDERS

- 10.1 No brokerage, commission or other transaction costs will be payable by Participants on Units acquired under the DRP.
- 10.2 If the existing legislation changes so that at the date of any issue, any stamp duty is payable in respect of the issue, the amount of such stamp duty will be paid by the Participant to whom the Units are issued and will be debited to that Participant's DRP account.

11. VARIATION TO PARTICIPATION IN THE DRP

Subject to clause 5.3, a Participant may at any time vary participation (but not the Terms and Conditions of the participation) in the DRP by completing and returning to the Unit Registrar a further Application Form or making a further Electronic Election specifying the variation the Participant wishes to make.

12. ACQUISITION AND SALE OF UNITS BY PARTICIPANTS

- 12.1 Where a Participant is a Full Participant:
- (a) all Units allotted or transferred to a Full Participant under the DRP will be added to the number of Participating Units unless a further Application Form advising the Responsible Entity to the contrary has been delivered to the Unit Registrar or a further Electronic Election to the contrary has been made; and
 - (b) any further Units acquired (by whatever means) by a Full Participant automatically become Participating Units on being registered in the Full Participant's name.

12.2 Where a Participant is a Partial Participant:

- (a) unless advised by the Partial Participant to the contrary, if a Partial Participant sells or transfers, the Units sold or transferred will, first, reduce the number of Non-Participating Units and, secondly, the number of Participating Units;
- (b) if by the acquisition of any further Units (by whatever means), the number of Units held by a Partial Participant increases to a number greater than the original nominated number of Participating Units held, the excess of Units over the original nominated number of Participating Units are taken to be Non-Participating Units unless otherwise notified by a further Application Form delivered to the Unit Registrar or a further Electronic Election has been made by the Partial Participant; and
- (c) if the Participant has elected for a certain percentage of its total Units to participate in the DRP; any further Units acquired (by whatever means) by the Partial Participant will be allocated as Participating and Non-Participating in accordance with that percentage unless notified by a further Application Form delivered to the Unit Registrar or a further Electronic Election has been made by the Partial Participant.

13. TERMINATION OF PARTICIPATION

13.1 Subject to clause 5.3, a Participant may at any time terminate participation in the DRP by completing and returning to the Unit Registrar a further Application Form, or making a further Electronic Election indicating the Participant's wish to terminate participation in the DRP.

13.2 Subject to clause 5.3, a Participant will be deemed to have terminated their participation in the DRP:

- (a) on receipt by the Unit Registrar of an Application Form or an Electronic Election in accordance with clause 13.1;
- (b) on registration of a transfer or disposal of all of their Participating Units;
- (c) on termination of the DRP by the Responsible Entity in accordance with clause 14;
- (d) on receipt by the Responsible Entity of the notice of death, bankruptcy or liquidation of the Participant; or
- (e) on the Participant ceasing to be eligible for participation in the DRP, for example by changing their registered address to an ineligible country.

13.3 For the purposes of clause 13.2, the death of any one of two or more joint Unitholders who hold Participating Units will automatically terminate the participation of the remaining Unitholder or joint Unitholders with respect to those Units. The remaining Unitholder or Unitholders may recommence their participation in the DRP by completing and returning to the Unit Registrar an Application Form or making an Electronic Election to do so.

13.4 A Unit which has ceased to be a Participating Unit is not prohibited from subsequently becoming again subject to the DRP.

13.5 Where a Participant ceases to participate in the DRP for any reason, the Responsible Entity must pay to the Participant (at a time and in a manner determined by the Responsible Entity) any positive balance in the Participant's DRP account.

14. MODIFICATION AND TERMINATION BY THE RESPONSIBLE ENTITY

14.1 The Responsible Entity may at its discretion at any time resolve to:

- (a) vary the DRP and any agreement relating to the DRP;
- (b) suspend the operation of the DRP; or
- (c) terminate the DRP.

14.2 Any variation, suspension or termination made in accordance with clause 14.1:

- (a) subject only to clause 14.4, is effective from the date of resolution or otherwise from the date determined by the Responsible Entity; and
- (b) does not give rise to any liability on the part of or right of action against the Fund or the Responsible Entity.

14.3 The Responsible Entity must give written notification to the Participants of any variation, termination or suspension of the DRP.

14.4 Termination of the DRP is not effective prior to a date at least one month after the date on which notice is given by the Responsible Entity to the Participants of its intention to terminate the DRP.

14.5 If the Responsible Entity varies these Terms and Conditions, the Participants continue to participate under the modified DRP unless the Participant notifies the Responsible to the contrary by a further Application Form or by a further Electronic Election.

14.6 The accidental omission to give notice of any variation, suspension or termination of the DRP to any Participant or the non-receipt of any notice by any Participant does not invalidate the variation, suspension or termination of the DRP.

15. DISPUTES

The Responsible Entity has absolute discretion to resolve any dispute concerning the DRP in the manner it sees fit or to adopt any administrative procedures as it deems appropriate. The decision of the Responsible Entity will be final and binding on the Participants.

16. DISCLAIMER

Subject to applicable legislation, none of the Responsible Entity, the Manager nor any of their officers, employees, representatives or agents guarantee or warrant the future performance of the Fund.

17. TAXATION

Neither the Fund nor the Responsible Entity, its officers, employees, representatives or agents take any responsibility or assume any liability for the taxation liabilities of Participants. Participants should obtain specific taxation advice from professional advisers.

18. NOTICES

18.1 Notices to the Responsible Entity are only effective if in writing and in such form as the Responsible Entity directs or accepts from time to time and must be sent to the Unit Registrar at:

Automic Pty Ltd
GPO Box 5193
Sydney NSW 2001

Tel: 1300 408 787 (within Australia)
Tel: +61 2 8072 1478 (outside Australia)

or such other address as is notified by the Responsible Entity from time to time.

19. GENERAL

19.1 The DRP will not apply in any case where, in accordance with the Constitution or otherwise by law, the Responsible Entity is entitled by law to retain all or part of a Distribution payable in respect of Units which a Participant has nominated as participating in the DRP or where the Responsible Entity is entitled to a charge over those Units or over any relevant Distribution payable.

20. GOVERNING LAW

The DRP, these Terms and Conditions and the operation of the DRP are governed by the laws of New South Wales, Australia.